

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 24, 2020

From: MITCH WEISS, Executive Director

Reference Number: 4.9, Action

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Subject: Adoption of the Short-Line Railroad Improvement Program Guidelines,
Resolution G-20-60

Recommendation:

Staff recommends the California Transportation Commission (Commission) adopt the Short-Line Railroad Improvement Program Guidelines, and in turn issue a call for projects for the Short-Line Railroad Improvement Program.

Issue:

Legislation mandates the Commission adopt program guidelines by July 1, 2020, following a 90-day public comment period. Consistent with legislation, the Commission developed the program guidelines in consultation with the California State Transportation Agency, the Department of Transportation (Caltrans), regional transportation planning agencies, Class III Rail Industry leaders, local agencies, and other transportation stakeholders.

The Short-Line Railroad Improvement Program Guidelines describe the policy, standards, criteria, and procedures for the development, adoption, and management of the Short-Line Railroad Improvement Program. The guidelines address legislative requirements, incorporate input received from various stakeholders, and include the Commission's procedures for programming and project delivery.

Since presenting the draft guidelines at the March 25, 2020 Commission meeting, staff held public workshops on May 28, 2020 and June 5, 2020 to solicit stakeholder input and inform the Short-Line Railroad Improvement Program Guidelines. As a result of feedback received during those workshops, changes were made to the following section of the guidelines: Program Schedule, Funding Restrictions, Eligible Applicants, Eligible Projects, Evaluation Criteria, and Performance Indicators and Measures. The modifications to the draft guidelines presented at the March 25, 2020 Commission meeting are emboldened in Attachment B.

The adoption of the Short-Line Railroad Improvement Program Guidelines at the June 24, 2020 Commission meeting will initiate the program's call for projects, with applications due on December 1, 2020.

Background:

On June 27, 2019, the Governor signed Senate Bill (SB) 87, creating the Short-Line Infrastructure Improvement Act of 2019, which directs the Commission to establish a competitive funding program to allocate funds for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement.

Caltrans has identified \$20 million of the \$40 million set aside for administrative costs from the Trade Corridors Improvement Fund Program as cost savings. SB 87 appropriates \$7.2 million from these cost savings to Caltrans for purposes of the program thereby fully funding the Short-Line Railroad Improvement Program.

The \$7.2 million Short-Line Railroad Improvement Program is a two-year competitive funding program that covers fiscal years 2020-21 and 2021-22. The primary objective of the Short-Line Railroad Improvement Program is to fund infrastructure improvement projects designed to enable Class III/short-line railroads to improve freight mobility, efficiency, reliability, sustainability, safety, and load capacity.

The guidelines will be used by the Commission to select short-line railroad infrastructure projects for programming and allocation that are consistent with the goals and objectives of the 2018 California State Rail Plan. The Commission has developed performance metrics intended to support the goals and objectives of the 2018 California State Rail Plan and requires an applicant demonstrate its ability to achieve those performance metrics in the application.

Attachments:

- Attachment A: Resolution G-20-60
- Attachment B: Short-Line Railroad Improvement Program Guidelines

**CALIFORNIA TRANSPORTATION COMMISSION
ADOPTION OF THE SHORT-LINE RAILROAD IMPROVEMENT PROGRAM
GUIDELINES**

RESOLUTION G-20-60

- 1.1 **WHEREAS**, Government Code 8879.52 requires the California Transportation Commission (Commission) to adopt guidelines for the Short-Line Railroad Improvement Program by July 1, 2020; and
- 1.2 **WHEREAS**, legislation mandates that the Commission adopt program guidelines following a 90-day public comment period; and
- 1.3 **WHEREAS**, the Short-Line Railroad Improvement Program program objective is to fund infrastructure improvement projects designed to enable Class III/short-line railroads to improve freight mobility, efficiency, reliability, sustainability, safety and load capacity; and
- 1.4 **WHEREAS**, the Commission held four workshops and worked collaboratively with the California State Transportation Agency, the Department of Transportation, regional transportation planning agencies, Class III Rail Industry leaders, local agencies, and other transportation stakeholders to develop the Short-Line Railroad Improvement Program Guidelines.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission adopts the Short-Line Railroad Improvement Program Guidelines; and
- 2.2 **BE IT FURTHER RESOLVED**, that the purpose of the guidelines are to identify the Commission's policies, standards, criteria and procedures for the development, adoption, and management of the Short-Line Railroad Improvement Program, and thus provide guidance to eligible applicants; and
- 2.3 **BE IT FURTHER RESOLVED**, that staff is authorized to make minor technical changes as needed to the guidelines; and
- 2.4 **BE IT FURTHER RESOLVED**, that the guidelines do not preclude any project nomination or project selection that is consistent with the implementing legislation; and

- 2.5 **BE IT FURTHER RESOLVED**, that the Commission directs staff to post these guidelines to the Commission's website.

SHORT-LINE RAILROAD IMPROVEMENT PROGRAM GUIDELINES

June 24, 2020

California Transportation Commission



**CALIFORNIA TRANSPORTATION COMMISSION
SHORT-LINE RAILROAD IMPROVEMENT PROGRAM GUIDELINES**

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1. Authority and Purpose

The Short-Line Infrastructure Improvement Act of 2019, (Senate Bill [SB] 87, Chapter 32, Statutes of 2019) created the Short-Line Railroad Improvement Program and directs a one-time appropriation of seven million two hundred thousand dollars (\$7,200,000). Program funds are to be allocated by the California Transportation Commission (Commission) to short-line railroad infrastructure projects intended to improve freight mobility, volume thresholds, and support modern freight traffic and the communities and industries they serve throughout California.

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption and management of the Short-Line Railroad Improvement Program. The Commission may amend these guidelines after first giving notice of the proposed amendments.

The Short-Line Railroad Improvement Program guidelines were developed in cooperation with the California State Transportation Agency, California Department of Transportation (Caltrans), Regional Transportation Planning Agencies, Class III rail industry representatives, and other transportation stakeholders.

2. Program Objectives

The primary objective of the Short-Line Railroad Improvement Program is to fund infrastructure improvement projects designed to enable Class III/short-line railroads to improve freight mobility, efficiency, reliability, sustainability, safety and load capacity. The projects to be funded under this program are intended to allow for Class III Rail to become more compatible in supporting modern rail freight traffic and the communities and industries they serve throughout California.

All projects nominated for the Short-Line Railroad Improvement Program must be consistent with the goals and objectives of the 2018 California State Rail Plan with regard to short-line railroad infrastructure investment.

3. Program Schedule

The following schedule lists the major milestones for the development and adoption of the Short-Line Railroad Improvement Program:

Publish Draft Guidelines	March 13, 2020
Draft Guidelines presented to the Commission	March 25, 2020
Adoption of the Guidelines	June 24-25, 2020
Call for Projects	June 24-25, 2020
Applications due	December 1, 2020
Release staff recommendations	January 13, 2021
Program adoption	January 27-28, 2021

4. Funding and Program Cycle

A one-time appropriation of seven million two hundred thousand dollars (\$7,200,000) will be available to the Short-Line Railroad Improvement Program.

The Commission intends to program the \$7,200,000, in fiscal years 2020-21 and 2021-22, following a single call for projects nominated for program funding.

The **maximum** request for Short-Line Railroad Improvement Program funds cannot exceed 50% of the total construction cost. No single project will receive more than 25% of the available funds, or \$1,800,000.

A nominating agency submitting multiple project nominations must clearly prioritize its projects. The Commission may elect to only evaluate the highest priority nomination(s) submitted by each nominating agency.

5. Matching Requirements

Pursuant to Governmental Code Section 8879.52 subdivision (f)(1)(B)(ii), projects funded from the Short-Line Railroad Improvement Program require at least a 30% match of private funds.

The matching funds must be expended concurrently and proportionally to the project component programmed with Short-Line Railroad Improvement Program funds. Costs incurred prior to allocation will not be counted towards the match.

The nominating agency must provide a project funding plan through construction that demonstrates the non-Short-Line Railroad Improvement Program funding in the plan (local, federal, state, private sources) is reasonably expected to be available and sufficient to complete the project.

6. Funding Restrictions

The Short-Line Railroad Improvement Program will only fund the construction component of a capital project. A project will be considered for funding if, at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA). **Certain projects fall under a CEQA statutory or categorical exemption, or NEPA categorical exclusion, which would meet the required environmental process following the filing of a Notice of Exemption.**

Projects on the state highway system and projects implemented by Caltrans require a Caltrans approved Project Report.

The Short-Line Railroad Improvement Program will not fund cost increases to a project. Any cost increases must be funded from other fund sources. The implementing agency must provide evidence of their ability to absorb any cost overruns and deliver the project with no additional funding from the program. For projects jointly nominated by Caltrans and a Regional Transportation Planning Agency, the Commission expects the responsibility for payment of cost increases

will be negotiated and agreed upon through a funding agreement between both agencies.

The Short-Line Railroad Improvement Program will only fund projects that have independent utility and will be ready to start (award) construction by December 31, 2022.

7. Reimbursement

The Short-Line Railroad Improvement Program is a reimbursement program for eligible costs incurred. An implementing agency may begin incurring eligible costs upon allocation, however, reimbursement is dependent upon entering into an agreement with Caltrans. Costs incurred prior to Commission allocation and, for federally funded projects, Federal Railroad Administration or Federal Highway Administration project approval (i.e. Authorization to Proceed) are not eligible for reimbursement.

8. Eligible Applicants

Pursuant to Government Code Section 8879.52 subdivision (f)(1), only Caltrans or a Regional Transportation Planning Agency may nominate projects for funding. Project proposals from **port authorities or private entities are encouraged but** must be submitted by Caltrans or a Regional Transportation Planning Agency.

A nomination may identify an entity other than the applicant to be the project implementing agency. The implementing agency will assume responsibility and accountability for the use and expenditure of program funds.

For jointly nominated projects, the implementing agency assumes the responsibility and accountability for the project as well as the use and expenditure of program funds.

Applicants and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures.

The Commission expects collaboration and cooperation between the Class III Short-Line Rail operators, the nominating agency, implementing agency, and Caltrans for all projects that impact the state highway system.

9. Eligible Projects

The Short-Line Rail Improvement Program eligible projects must be consistent with subdivisions (f) and (A)(ii) of Government Code Section 8879.52.

Class III Rail infrastructure projects **for Transload Facilities, Rail Terminals, Rail Yards, Sea Port, and Rail Lines, or any combination thereof, are** eligible for funding under the program, **and** may include, but are not limited to the following:

- Reconstruction, maintenance, or replacement of existing railroad right-of-way infrastructure, such as track, roadbed, bridges, and industrial leads.

- New construction of industrial leads, switches, spurs and sidings, and extensions of existing sidings.
- Advanced Technology projects that support infrastructure sustainability such as fuel management systems, anti-idling technology, enhanced railcar components (ex. smart sensors), **Automatic equipment identification tag readers, switching operations optimization systems**, and automated inspection equipment.
- Safety projects such as **Positive Train Control or other** active control/warning devices, at-grade crossing gates and/or signals, **new or improvements to train dispatching systems, upgraded crossing surfaces (concrete/rubber crossing panels)**, or installation of a STOP sign at low-volume crossings.

10. Screening Criteria

Nominations will receive an initial screening by the Commission for completeness and eligibility before moving to the evaluation process. An eligible applicant submitting multiple project nominations must clearly prioritize its project nominations.

Incomplete or ineligible nominations will not be evaluated.

Nominations will be screened for the following:

- **Short-Line Railroad Improvement Program funds requested may not exceed 50% of the project's total construction cost (as outlined in Section 4)**
- Demonstrate a 30% private fund match (as outlined in Section 5).
- Project benefits and purpose are consistent with the program's objectives as related to short-line rail.
- All other funds for the proposed project are committed.

11. Project Rating Process

All project nominations that meet the screening criteria will be evaluated and selected through a competitive process.

Each nomination will be evaluated for compliance with the objectives of the program. Each nomination will be rated using the evaluation criteria as specified in Section 12. Each evaluation criteria will be scored with a "High", "Medium-High", "Medium", "Medium-Low", or "Low". The highest-ranking nominations will be selected for funding.

12. Evaluation Criteria

A project nomination must include documentation regarding the quantitative and qualitative measures validating the project's consistency with policy objectives. Each section must be addressed, including relative data for the performance metrics. The Commission will evaluate projects for programming using the following criteria:

- Freight Mobility – The nomination should demonstrate how the project will improve the freight volume, capacity, and speed of the freight moved throughout the state. How will the project improve connections from Class III rail to Class I rail?
- Cost Effectiveness – Projects that provide the greatest benefit in relationship to the project costs. The Commission will consider measurable benefits using the California Benefit/Cost Analysis Intermodal Freight Tool or an alternative proposed by the applicant.
- Deliverability – Projects that have completed design and right-of-way certification.
- Leveraged Funding – Projects that leverage funds above the required matching funds amount (see Section 5).
- Air Quality and Greenhouse Gases – The nomination should address how the proposed project will reduce greenhouse gas emissions and criteria pollutants and advance the State’s air quality and climate goals.
- Regional and Industry Project Support – The nomination should demonstrate meaningful public outreach and engagement of the proposed project, such as **consistency with the California State Rail Plan** or a Regional Transportation Plan that includes similar projects and public outreach, and/or letters of support from industry and community leaders.
- Safety – The nomination should identify and discuss other safety measures the project will address, including health impacts.
- System Preservation – The nomination should demonstrate that the project will have a useful life of no less than 15 years and how the project will improve the current conditions. Identify and discuss other performance measures the project will address.

13. Programming

The program of projects for each fiscal year will include, for each project, the amount to be funded from the Short-Line Rail Improvement Program, and the estimated total cost of the project. Project costs in the Short-line Rail Improvement Program will include the construction component only. For Caltrans implemented projects, the cost of construction support will be separated out and programmed separately from the construction capital cost.

The Commission will program funding to projects in whole thousands of dollars and will include a project only if it is fully funded from a combination of Short-Line Railroad Improvement Program funds and other committed funds.

The Commission will regard funds as committed when they are programmed by the Commission or when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including Surface Transportation Block Grant Program, Congestion Mitigation and Air Quality, and federal formula transit funds, the commitment may be by federal Transportation Improvement Program adoption. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or by grant approval.

Projects programmed by the Commission in the Short-Line Railroad Improvement Program will not be given priority in other programs under the Commission's purview.

14. Amendments

Project amendments will be considered for the Short-Line Railroad Improvement Program as follows:

- Cost Changes – The Short-Line Railroad Program will not participate in cost increases to the project. Any cost increases must be funded from other fund sources. If there is a change in the cost estimate, the Commission should be notified as soon as possible, in writing, explaining the change and the plan to cover the increase. A revised Project Programming Request form identifying the source of funding must also be included.
- Schedule Changes – Schedule changes to a project will not be considered unless a time extension was approved.
- Scope Changes – The Commission will not consider changes to the scope of the project unless the change is minor and has no impact to the project benefits or the scope change increases the benefits of the project. The Commission should be notified of a potential scope change, as soon as possible. In the case where scope changes are significant, and the project benefits are less, the Commission will evaluate the proposed changes and make a determination whether to continue to fund the project or delete the project from the program through a formal amendment.

15. Allocations

When an agency is ready to implement a project or project component, the implementing agency will submit an allocation request to Caltrans. The typical time required between Caltrans' receipt of the request and Commission allocation is 60 days.

The Commission will consider the allocation of funds for a project when it receives an allocation with a recommendation from Caltrans. The Caltrans recommendation will include a determination of project readiness, the availability of appropriated funding, the availability of all identified and committed supplementary funding. The Commission will only consider an allocation of construction and/or construction support funds to projects that are ready to advertise.

For projects that are ready to advertise, the Commission expects Caltrans to certify that a project's plans, specifications and estimate are complete, environmental and right-of-way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed. Projects not ready for advertisement will not be placed on the Commission's agenda for allocation approval.

In compliance with Section 21150 of the Public Resources Code, the Commission will not allocate funds for construction prior to documentation of environmental clearance under the California Environmental Quality Act. The Commission will not

allocate funds for construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act.

The Commission will approve an allocation in whole thousands of dollars if the funds are available and the allocation is necessary to implement the project as included in the adopted Short-Line Railroad Improvement Program. If there is a cost increase to the project, the implementing agency must submit an updated Project Programming Request form that identifies the cost increase and the fund source that will cover the cost increase. If the fund source(s) is not identified to cover the cost increase, the project will be deleted from the Short-Line Railroad Improvement Program.

Where the project is to be implemented by an agency other than the nominating agency, the allocation request must be signed by the implementing agency.

When Caltrans is the implementing agency, construction support costs must be allocated separately from construction capital costs.

The implementing agency must not award the contract for a project until the Commission has allocated the funds for the project.

16. Timely Use of Funds

Short-Line Railroad Improvement Program allocations must be requested in the fiscal year of project programming and are valid for award for six months from the date of allocation, unless the Commission approves an extension. When programmed funds are not allocated within the fiscal year programmed or within the time allowed by an approved extension, the project will be deleted from the Short-Line Railroad Improvement Program.

After award of the contract, the implementing agency has up to 36 months to complete (accept) the contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds, if necessary, to accommodate the proposed expenditure plan for the project.

The Commission may extend the deadline only once for each delivery deadline. The Commission will only approve timeline extensions if it finds that an unforeseen and extraordinary circumstance beyond the control of the implementing agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance.

For the allocation of funds, the time extension must be approved by the Commission by June 30th of the year the funds are programmed; otherwise the funds will lapse.

17. Delivery Deadline Extensions

The Commission may extend a deadline for allocation and award upon the request of the implementing agency. The extension will not exceed 12 months.

The extension will only be granted if it is for an extraordinary circumstance beyond the control of the implementing agency.

Upon request of the implementing agency, the Commission may extend the deadline for expenditure and for project completion. The extension cannot exceed more than 20 months for project completion and 12 months for expenditure. The extension will only be granted if it is for an extraordinary circumstance.

All requests for project delivery deadline extensions shall be submitted directly to Caltrans for processing prior to the expiration date. The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to the circumstance. Caltrans will review and prepare a written analysis of the proposed extension request and forward the written analysis and recommendation to the Commission for action.

18. Project Cost Savings

Savings at contract award may be used to expand the scope of the project only if the expanded scope provides additional quantifiable benefits. The expanded scope must be approved by Commission staff prior to contract award. All other contract award and project completion savings must be returned proportionally and will be redirected to the Trade Corridor Enhancement Program.

19. Quarterly Delivery Reports

Caltrans, in cooperation with the Class III Railroad and implementing agencies, will report to the Commission on a quarterly basis. The reports will include information on the activities and progress made toward implementation of the project, including those project development activities taking place prior to a funding allocation and including the commitment status of supplemental funding identified in the project programming request. The reports will at a minimum include:

- A summary of the overall program taking into account all projects in the program and will identify the total programmed funds, total dollars allocated, number of projects allocated, number of completed projects, and a summary of the benefits (outputs and outcomes) achieved with the completed projects.
- A summary describing the overall progress of each project since the initial programming action or the last quarterly report.
- Expenditures to date for all project component costs, with the Short-Line Railroad Improvement funds identified separately.
- A summary describing any changes to the scope, cost, schedule, and benefits of the project and a corrective action plan if necessary, since the last report.

20. Completion/Final Delivery Reports

Within six months of construction contract acceptance or the project becoming operable, whichever occurs sooner, the implementing agency will provide a completion report to Caltrans on the scope of the completed project, its estimated final costs, estimated schedule, and project benefits (outputs and outcomes) as compared to those described in the project application. Additionally, the completion report shall describe the methodologies and assumptions used to evaluate how the

project benefits were calculated as compared to the methodologies and assumptions used at the time the Commission programmed the project.

The implementing agency will also provide a final delivery report to Caltrans, within 180 days of the conclusion of all remaining activities beyond the acceptance of the construction contract to reflect final project expenditures, any changes that occurred after submittal of the completion report and an updated evaluation of the benefits.

21. Project Auditing

The Transportation Inspector General, as Director of the Independent Office of Audits and Investigations', role is to ensure Caltrans, and external entities that receive state and federal transportation funds from Caltrans, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements.

The Commission expects that audits will be conducted on a representative sample of Short-Line Railroad Improvement Program projects and provide findings on the following:

- Whether project costs incurred and reimbursed comply with the executed project agreements or approved amendments thereof; state and federal laws and regulations; contract provisions, and Commission guidelines.
- Whether project deliverables (outputs) and outcomes are reasonable in comparison with the project cost, scope, schedule and benefits described in executed project agreements or approved amendments thereof.

Additional audits, if deemed necessary, may be requested by the Commission during the implementation phases of the project. In addition to any final audit performed, it may be beneficial to provide semi-final audits when a project is substantially completed. It is expected that the findings from these audits will be included in the Inspector General's reports to the Commission.

Attachment 1 – Project Nominations

Project nominations and supporting documentation must be submitted to the Commission by **December 1, 2020**. Nominations will be treated in accordance with California Public Records Act requirements and information, subject to those requirements, may be publicly disclosed.

Applicants must submit two (2) hard copies of the nomination package and one (1) electronic copy. Electronic copies should be sent via e-mail to CTC@catc.ca.gov.

All nomination materials should be bound, addressed and delivered to:

California Transportation Commission
Executive Director
1120 N Street, MS-52
P.O. Box 942873
Sacramento, CA 95814

Each project nomination should be limited to **10** pages, excluding information requested in appendices. Each project nomination must utilize the letter convention as specified.

A. Cover Letter

The cover letter must be addressed to the California Transportation Commission's Executive Director and clearly identify the nominating agency or agencies. Nominations from regional transportation planning agencies must include the signature of the Chief Executive Officer or other authorized officer of the agency. Nominations from Caltrans must include the signature of the Director of Transportation or a person authorized by the Director to submit the nomination. Jointly nominated projects must have the duly authorized signatures of all agencies. Where a project will be implemented by an agency or multiple agencies, the nomination must include the signature(s) of the Chief Executive Officer or other authorized officer(s) of the implementing agency or agencies.

Where a project is to be implemented by an agency other than the nominating agency, documentation of the agreement between the nominating agency and implementing agency must be submitted with the nomination.

B. Fact Sheet

A one-page fact sheet describing the project scope, cost, schedule, and benefits (outputs/outcomes). The fact sheet will be posted on the Commission's website and therefore must meet the latest state and federal web accessibility laws. Information about [California website accessibility laws](#).

C. General Information

- Project title, with a brief non-technical description of the project, total project cost and requested amount.
- Project background and a purpose and need statement.
- A concise description of the type of project, scope and anticipated benefits (outcomes and outputs) proposed for funding.

- A map (or maps) of the project location.
- Project priority (if agency is submitting multiple nominations).
- A confirmation that the proposed nomination is consistent with the current approved Regional Transportation Plan and Sustainable Communities Strategies, as applicable.

D. Screening Criteria

- Demonstrate a 30% private fund match (as outlined in Section 5).
- Project demonstrates project benefits and purpose are consistent with the program's priorities and objectives as related to short-line rail.
- Project demonstrates that all other funds for the proposed project are committed.

E. Evaluation Criteria

A quantitative and qualitative analysis of the proposed project compared to the no-build environment. Each Criteria identified in Section 12 of the guidelines must be addressed. If a criterion is not addressed, the project may not be funded in the Short-Line Railroad Improvement Program.

The required performance metrics on Appendix II will support the narrative of the criteria.

F. Funding and Development

- A project cost estimate which includes the amount and source of all funds committed to the project and the basis for concluding that the funding is expected to be available.
- Cost estimates should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized officer of the implementing agency.
- A description that demonstrates the ability to absorb any cost overruns and deliver the proposed project with no additional funding from this program. For Caltrans implemented projects, Caltrans must demonstrate the plan to secure alternate source(s) to fund potential cost overruns.
- A description of the project delivery plan, including a description of the known risks that could impact the successful implementation of the project and the response plan of the known risks. The risks considered should include, but not be limited to, risks associated with deliverability and engineering issues, and funding commitments.

G. Community Impacts

- A description of how local residents and community-based organizations were engaged in developing and supporting the project.
- A description of how the final project will address community-identified needs with a description and quantification of the benefits the project will provide.

- Describe the feedback received during the stakeholder engagement process and describe how the public participation and planning process has improved the project's overall effectiveness at meeting the purpose of this program.
- Describe how stakeholders will continue to be engaged in the implementation of the project.

H. Other

- Where investment is proposed to improve private infrastructure, the nomination must include documentation of assessment of public and private benefits to show that the share of public benefit is commensurate with the share of public funding. The investment of public funding must be tied to public benefits as demonstrated through a public/private benefit cost analysis. The benefit cost analysis should consider the ownership of the asset once the project is completed.
- Documentation for rail investments should acknowledge and describe how the private railroads, regional agencies and appropriate state agencies will come to agreement on public and private investment levels and resulting benefits.

Appendix I – Project Programming Request

Each application must include a Project Programming Request form. The Project Programming Request must list federal, state, local, and private funding categories by project component and fiscal year. The scope, benefits, schedule and funding plan on the Project Programming Request form must be consistent with the information in the application. The template of the Project Programming Request form may be found at: <https://dot.ca.gov/programs/transportation-programming/office-of-capital-improvement-programming-ocip>.

Appendix II – Performance Indicators and Measures

- Please fill in the table included in this section with the requested information for the proposed project. This information must be consistent with the information in the Project Programming Request form that is submitted with the application under Appendix I.
- Commission staff may contact applicants for additional information.
- Please refer to the Short-Line Railroad Improvement Program Project Metrics Instructions which includes additional information and resources for completing this table. **The instructions can be found in Appendix III.**
- Project metrics are expected to be provided for the scope of the project as defined in the application and as projected for the “Build” scenario versus the “No Build” scenario over a 20-year horizon (with no other alternatives consideration required). If a horizon other than 20 years is utilized, it must be specified in the table. Provide current conditions where applicable and explain current conditions as part of project purpose and need.
- These metrics cover estimated project benefits based on what is known at the time of application.
- Class III Rail project types include: Transload Facilities, Rail Terminals, Rail Yards, **Sea Ports**, and Rail Lines or any combination thereof. Benefits are reported for the project as a whole.
- The Cal-B/C Intermodal Freight Mobility Tool which uses travel model data or engineering estimates as inputs to generate project benefits. Applicants are encouraged to use tools that are industry standard to the extent possible, but when there is a need to use an alternate tool, applicants should explain their choice of model and underlying assumptions.
- For cost-effectiveness, documentation supporting the benefits and cost estimates provided in the application should cite, as appropriate, the project study report, environmental document, Regional Transportation Plan, and other studies that provide quantitative and qualitative measures of the project’s costs and benefits.
- It is anticipated that project applicants will utilize existing analyses (i.e. project level modeling conducted for the environmental analysis) and use that information coupled with additional off model tools or other simple calculations to estimate the project benefits for the application process.
- For each measure area please specify the horizon year, methodology, assumptions, and data source(s) used.
- Modeled and observed data may be used. Modeled data used must be calibrated per federal standards.

Measure	Metric	Build	Future No Build	Change	Methodology
Congestion Reduction	Daily Truck Trips (# of trips)				
	Daily Truck Miles Traveled (miles)				
Throughput	Change in rail volume that can be accommodated (# of trailers, # of containers)				
	Change in cargo volume that can be accommodated (# of tons, # of containers)				
	Track Weight Capacity Increase				
Velocity	Travel Time or Total Cargo Transport Time (hours)				
	Change in Average Peak Period Weekday Speed for Rail Facility				
	Reduction of Rail Dwell Time				
Cost Effectiveness	Cost Benefit Ratio				
Economic Development	Jobs Created (Direct and Indirect) (#)				
Safety	Other Narrative				
Air Quality & Greenhouse Gas Emissions	Particulate Matter (PM 2.5 PM 10)				
	Carbon Dioxide (CO ₂)				
	Volatile Organic Compounds (VOC)				
	Oxides of Sulfur (SO_x)				
	Carbon Monoxide (CO)				
	Nitrogen Oxides (NO _x)				

Appendix III - Short-Line Railroad Improvement Program Performance Metrics Instructions

1. This document is intended to provide additional background and information for each Measure Area that an applicant is expected to complete for the table located in Appendix II of the project nomination.
2. The following standardized terminology has been developed: Project benefits = Outputs + Outcomes
 - a) Outputs = actual physical infrastructure improvements (i.e. miles of bike lanes, # of transit stations)
 - b) Outcomes = non-physical improvements (i.e. congestion reduction, air quality improvement)
 - c) Measure = the outcome that is being measured (i.e. safety, air quality)
 - d) Metric = how the outcome is being measured (i.e. air quality improvement = reduced greenhouse gas emissions)
3. Project benefits are expected to be provided for the scope of the project as defined in the application and as projected for the “Build” scenario versus the “No Build” scenario over a 20-year horizon (with no other alternatives consideration required). If a horizon other than 20 years is utilized, it must be identified and justified in the table. Provide current conditions where applicable and explain current conditions as part of project purpose and need.
4. These metrics measure estimated project benefits based on what data available at the time of application.
5. For each measure area applicants must specify the horizon year, methodology, assumptions, and data source(s) used and any data gaps or challenges should also be noted.
6. Modeled and observed data may be used. Modeled data used must be calibrated per federal standards.
7. Project types include Class III Rail: Transload Facilities, Rail Terminals, Rail Yards, Sea Port, and Other Rail Lines or any combination thereof. Benefits are reported for the project as a whole.
8. A few tools have been identified in the table below, including the Regional Travel Demand Model, Sub-Regional or Project- Level Models. Applicants are encouraged to use tools that are industry standard to the extent possible, but when there is a need to use an alternate tool, applicants must explain their choice of model and underlying assumptions.

9. Each application should include analysis utilizing the most recent version of Caltrans' Life Cycle Benefit Cost Analysis (Cal-B/C) Model to document that the expected benefits of the project justify its costs. If another model is more applicable it may be used; the alternative model must be identified and justified in the table, including a description of the methodology, assumptions, and data sources used.
10. For the Air Quality analysis portion of the application, Cal-B/C Intermodal Freight Mobility Tool must be used. The most recent version of Cal-B/C Intermodal Freight Mobility Tool can be accessed here: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics>
11. For Cal-B/C tool data and assumptions documentation, applicants must provide an electronic copy of the completed Excel workbook as part of the application submittal.
12. The intent of these metrics is not to require a RTDM run for every project. It is anticipated that project applicants will utilize existing analyses (i.e. project level modeling conducted for the environmental analysis) and use that information coupled with additional off model tools or other calculations to estimate the project benefits for the application process.

Performance Measures Table:

<u>Measure</u>	<u>Metric</u>	<u>Project Type</u>	<u>Horizon, Methodology, and Data Notes</u>
Congestion Reduction	Reduction in Daily Truck Trips (due to mode shift)	Terminals Transload Yard	<ul style="list-style-type: none"> • Regional or Sub-Regional Travel Demand Model (RTDM) • Other Industry Standards • Only required for applicable rail projects increasing rail freight volume
	Reduction in Daily Truck Miles Traveled (due to mode shift)	Terminals Transload Yard	<ul style="list-style-type: none"> • Regional or Sub-Regional Travel Demand Model (RTDM) • Other Industry Standards • Only required for applicable rail projects increasing rail freight volume

<u>Measure</u>	<u>Metric</u>	<u>Project Type</u>	<u>Horizon, Methodology, and Data Notes</u>
Throughput	Change in Annual Rail Volume that can be accommodated due to improvement	Rail Terminals Transload Yard	<ul style="list-style-type: none"> Regional or Sub-Regional Travel Demand Model (RTDM) Other Industry Standards (In the event detailed private rail data is difficult to obtain, # of trains or other simple observed data can be utilized.)
	Change in Annual Cargo Volume that can be accommodated due to improvement	Sea Port	<ul style="list-style-type: none"> Regional or Sub-Regional Travel Demand Model (RTDM) Other Industry Standards (In the event detailed private rail data is difficult to obtain, # of trains or other simple observed data can be utilized.)
	Track Weight Capacity Increase	Rail	<ul style="list-style-type: none"> Other Industry Standards (Track improvements to accommodate heavier rail cars [typically an increase from 263000 lb. rail cars to 286,000 lb. rail cars].)

<u>Measure</u>	<u>Metric</u>	<u>Project Type</u>	<u>Horizon, Methodology, and Data Notes</u>
Safety	Other Narrative	All	<ul style="list-style-type: none"> Other freight project information can be presented here, would be a good place to discuss rural freight safety metrics. For freight rail projects: train involved collisions and railroad grade crossing fatalities and injuries are examples of other metrics that could be used if applicable.

<u>Measure</u>	<u>Metric</u>	<u>Project Type</u>	<u>Horizon, Methodology, and Data Notes</u>
Velocity	Travel Time or Total Cargo Transport Time (including dwell time in logistics facility – port, railyard, etc.) <u>if applicable for project</u>	All	<ul style="list-style-type: none"> Regional or Sub-Regional Travel Demand Model (RTDM) Other Industry Standards (In the event detailed private rail data is difficult to obtain, # of trains or other simple observed data can be utilized.)
	Change in Average Peak Period Weekday Speed for Rail Facility	Rail	<ul style="list-style-type: none"> Regional or Sub-Regional Travel Demand Model (RTDM) Other Industry Standards (In the event detailed private rail data is difficult to obtain, # of trains or other simple observed data can be utilized.)
	Reduction in Railcar Dwell Time	Rail	<ul style="list-style-type: none"> Other Industry Standards (In the event detailed private rail data is difficult to obtain, # of trains or other simple observed data can be utilized.)

Measure	Metric	Project Type	Horizon, Methodology, and Data Notes
Economic Development and Job Creation	Jobs Created (Direct and Indirect)	All	<ul style="list-style-type: none"> Federal Multiplier (RIMS II-type) based on Project Cost Caltrans uses 11 jobs per \$1 million invested in 2018 Executive Fact Book
	Other Narrative (optional)	All	<ul style="list-style-type: none"> Narrative explanation of other economic development information including the quality of jobs, local training and hires, etc.

Measure	Metric	Project Type	Horizon, Methodology, and Data Notes
Air Quality & Greenhouse Gas Emissions	Particulate Matter (PM 2.5 PM 10)	All	<ul style="list-style-type: none"> Provide a summary of Cal-B/C Intermodal Freight inputs
	Carbon Dioxide (CO₂)		
	Volatile Organic Compounds (VOC)		
	Oxides of Sulfur (SO_x)		
	Carbon Monoxide (CO)		
	Nitrogen Oxides (NO_x)		

Measure	Metric	Project Type	Horizon, Methodology, and Data Notes
Cost Effectiveness	Cost Benefit Ratio	All	<ul style="list-style-type: none"> Cal-B/C Tools Available using RTDM inputs: https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics Provide a summary of Cal-B/C inputs

