

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	09/24/18	Open	Information	09/17/18

Subject: License Agreement between the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC-JPA) and the Placerville and Sacramento Valley Railroad, Inc. (P&SVRR), for Excursion Rail Operations, Informational Update

ISSUE

To provide an informational update on the License Agreement between the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC-JPA) and the Placerville and Sacramento Valley Railroad, Inc. (P&SVRR) for Excursion Rail Operations.

RECOMMENDED ACTION

This is an informational update, no action is being requested.

FISCAL IMPACT

This is an informational update, there is no fiscal impact.

BACKGROUND

The SPTC-JPA was established by its Member Agencies (Sacramento Regional Transit District, County of Sacramento, the County of El Dorado, and the City of Folsom) in 1991 to oversee the acquisition and preservation of the Placerville Branch of the Southern Pacific Railroad. In 1996, the SPTC-JPA completed the acquisition of 53 miles of railroad right-of-way extending from Sacramento to Placerville (milepost 94.3 to milepost 147.4). The corridor passes through portions of Sacramento County, the City of Folsom, and El Dorado County. Unincorporated Sacramento County's segment extends from White Rock Road to the El Dorado County line (milepost 117.9 to milepost 119.4).

On May 2, 2011, the SPTC-JPA Board of Directors approved a five-year, renewable license agreement with the P&SVRR to provide excursion rail services along portions of the rail corridor in the City of Folsom and Sacramento County. The Board also authorized the Chief Executive Officer to submit the License Agreement to each affected Member Agency for approval and, following ratification by the affected Member Agencies, to execute and deliver the License Agreement.

The City of Folsom and Sacramento County approved the License Agreement; however El Dorado County did not vote in support of the Agreement. The Agreement was then revised to exclude El Dorado County, thereby preventing P&SVRR from operating in that jurisdiction, with the exception of special events authorized by El Dorado County staff. The License Agreement took effect in February 2013 with P&SVRR providing excursion rail services in Folsom and Sacramento County. During the term of this Agreement, P&SVRR has been able to successfully

Approved:

Presented:

Final 09/18/18

General Manager/CEO

Director, Light Rail

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work with El Dorado County to perform occasional excursions to the town of Latrobe under a specific permit.

DISCUSSION

This is an informational update on the license agreement between the SPTC-JPA and P&SVRR. Sacramento Regional Transit District is a Member Agency of the SPTC-JPA along with the County of El Dorado, the County of Sacramento and the City of Folsom. The SPTC-JPA has approved a License Agreement with the P&SVRR for the operation of excursion rail services on portions of the rail corridor within the City of Folsom and Sacramento County. Execution and implementation of the License Agreement was ratified by the affected SPTC-JPA Member Agencies, including the County of Sacramento and City of Folsom. As of the date of this writing the County of El Dorado Parks Commission recommended approval, but the County of El Dorado Board of Supervisors has not yet approved the License Agreement.

The 2013 License Agreement was scheduled to expire in February 2018. In preparation for a potential license renewal, P&SVRR made a presentation to the SPTC-JPA Board at its August 2017 meeting outlining P&SVRR's progress over the current License Agreement, and its goals for the future if the agreement were renewed. Part of those goals included establishing regular excursion operations in El Dorado County. At its November 6, 2017, meeting the SPTC-JPA Board voted unanimously to approve a new License Agreement with P&SVRR, but with the provision that the status quo was to be maintained with respect to operations in El Dorado County, meaning that P&SVRR cannot operate excursion services except for special events and capital improvements approved by El Dorado County.

The new License Agreement was to take effect in February 2018, pending ratification by the SPTC-JPA Member Agencies. However, following approval of the Agreement by the SPTC-JPA Board, the P&SVRR requested further review of some of the terms of the agreement. In order to allow time for SPTC-JPA staff and the P&SVRR to finalize the terms of the agreement, the SPTC-JPA Board approved a three-month extension of the existing License Agreement to May 7, 2018. The terms of the new License Agreement have been finalized with the new Agreement becoming effective as of May 8, 2018.

The License Agreement grants P&SVRR the right to operate excursion rail services along specified portions of the rail corridor and sets forth terms and conditions associated with the operations carried out by P&SVRR. The Agreement minimizes liability to the SPTC-JPA and its Member Agencies; ensures that no public subsidy from the SPTC-JPA or its Member Agencies will be provided for excursion rail services including capital, operating and maintenance costs; and reserves the SPTC-JPA's right to implement and grant licenses for other uses in the rail corridor that do not materially compete or conflict with the P&SVRR excursion rail operations.

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The License Agreement permits excursion rail operations on the segment of the rail corridor between Iron Point Road, in Folsom (approximately milepost 116) and the El Dorado County line (approximately milepost 119.4). Sacramento County's portion of the corridor (milepost 118 to milepost 119.4) is within the operating segment. Operations in El Dorado County will continue to be limited to special events authorized by County staff. Additional operating segments will require JPA and Member Agency approval. Initial operating hours for excursion rail will be limited to weekends and holidays.

Following ratification of the License Agreement by the Folsom City Council, Sacramento County, and the El Dorado County Board of Supervisors, the SPTC-JPA and P&SVRR will execute the Agreement and allow P&SVRR to continue excursion rail on the approved operating segments.