


## AGENDA SUMMARY

<b>RE: ALTERNATIVE RAIL FEASIBILITY STUDY</b>	<b>FOR AGENDA DATE: JAN. 17, 2012</b>	
<b>AGENDA ITEM No.:</b> <span style="font-size: 2em; vertical-align: middle;">8</span>		
<b>RECOMMENDATION:</b>		
<ol style="list-style-type: none"> <li>1. The City Council approve Resolution 2012- ____ supporting the Humboldt Bay Alternative Rail Route Feasibility Study to evaluate an alternative (eastern) rail route to connect Humboldt Bay to the national rail network; and</li>   <li>2. To direct Staff to develop a mechanism to acquire funding and technical support to insure the success of the Humboldt Bay Alternative Rail Route Feasibility Study.</li> </ol>		
<b>SUMMARY OF THE ISSUE:</b>		
<p>At the Council meeting of December 20, 2011, Council heard a presentation by several citizens that were speaking in favor of conducting a study to determine the feasibility of an alternative rail route connecting the port facilities in Humboldt Bay to the national rail system. The presenters explained that this so-called "east-west" route was not a new idea, but one that actually had its origins in the late 1800s. The "Humboldt and Eastern Railroad" was in the process of acquiring financing and obtaining easements to build a rail line from Humboldt Bay area to the Sacramento Valley when the 1906 San Francisco earthquake and fire made the competing north-south rail line necessary to supply materials to rebuild the City. Within a few years, the eastern route was shelved, but not before the route was scouted and mapped.</p> <p style="text-align: center;"><i>Continued page 2</i></p>		
<b>FISCAL IMPACT:</b>		
None with the Recommended Action		
<b>CITY MANAGER SIGNATURE:</b>		
 _____ David W. Tyson, City Manager		
<b>REVIEWED BY:</b>	<b>DATE:</b>	<b>INITIALS:</b>
City Attorney	<u>1-11-12</u>	<u>CDW</u>
<b>Council Action:</b>		
Ordinance No. _____	Resolution No. _____	

**SUMMARY** *(continued)*

Presenters also noted the economic potential that rail service to Humboldt Bay may add to the local economy noting that there are 382 short line railroads in the US that service areas of high levels of economic activity. It was also noted that the average railroad job pays approximately \$104,000/year. Presenters pointed out that locally we haven't really looked at improving transportation infrastructure for a long time. The last real boom in rail, port and road building occurred 20-30 years ago. They pointed out that the Humboldt County area is challenged by its aging infrastructure.

From its inception, Eureka has been a water-dependent community and thus the City has a vested interest in developing infrastructure improvements that result in economic growth and sustainable job creation that utilize the harbor. Today, approximately 20 percent of the shoreline within City limits is dedicated to coastal dependent industrial uses. In addition, the City owns approximately 347 acres of underutilized coastal dependent industrial property near Fairhaven on Humboldt Bay's North Spit. This City property is in addition to approximately 600 more acres of underutilized port property in the entire harbor region of Humboldt Bay. Thirty to forty years ago, these properties employed thousands of Humboldt County residents. Today, those engaged in private sector marine-related jobs probably number in the hundreds. And yet, Humboldt County is home to one of only 11 deep water ports in California and the only one along a 400 mile stretch of Pacific coast; a rare and underutilized economic driver for our community.

It has been noted that one of the factors keeping the Port of Humboldt Bay from regaining its status as an economic engine and sustainable job-creator is the lack of rail service. The North Coast Railroad Authority (NCRA) has allowed the north-south Northwestern Pacific rail line to deteriorate and remain out of service for more than 10 years. This lost decade is full of examples of marine-related commercial-industrial businesses that showed great interest in locating on Humboldt Bay and providing jobs, only to move to some other port city where rail service is available. Reportedly, two recent missed opportunities have shown that our community lost approximately \$25 million per year of economic value because the shipping opportunities located elsewhere due to the lack of an active rail connection to Humboldt Bay.

With current examples of the economic potential of a rail line connecting Humboldt Bay to the national rail network and since it appears that NCRA will not be able to live up to their legislative mandate to maintain rail service along the entire Northwestern Pacific rail line in the foreseeable future, the City of Eureka has an opportunity to lead an effort to explore the feasibility of an alternate rail route to the east. Support for this study has also been voiced by several organizations including the Greater Eureka Chamber of Commerce; Building and Construction Trades Council of Humboldt and Del Norte Counties; Northwestern Pacific Railroad Company; Wiyot Tribe; Humboldt Redwood Company; International Longshore and Warehouse Union Local 14; Central Labor Council AFL-CIO of Humboldt and Del Norte Counties; Rail and Port Infrastructure Task Force; California Marine and Intermodal Transportation System Advisory Council; UpState California Economic Development Commission; and the City of Rio Dell.

<b>RE: ALTERNATIVE RAIL FEASIBILITY STUDY</b>	<b>FOR AGENDA DATE: JAN. 17, 2012</b>
	<b>AGENDA ITEM NO.:</b>
	<i>Page 3</i>

**SUMMARY** *(continued)*

As conceptually proposed, the purpose of the Humboldt Bay Alternative Rail Route Feasibility Study would be to analyze the concept of developing an east-west alternative rail route from the national rail system to Humboldt Bay that is roughly half of the distance (approximately 125 miles) as compared to the main line using the existing Northwestern Pacific Railroad's right-of-way. A new easterly route would likely connect Humboldt Bay to an existing Union Pacific main rail line just south of Red Bluff near Gerber, CA. This new route potentially involves a fraction of the tunnels, bridges and signaled crossings of the existing rail line.

Conceptually, the study would involve a literature review on the history of this route; identification of a proposed route from the analysis of no less than three possible routings; identification of land ownerships along the proposed route; a conceptual development plan that includes rail ownership/governance, preliminary engineering feasibility, highway connectors and any proposed modifications to improve highway/rail interface, estimated permitting needs, estimated environmental issues and potential mitigations and estimated development costs and timeline. An easterly route could also incorporate the Humboldt Bay Short Rail portion of the existing NCRA right-of-way from South Fork to Samoa.

The proponents of the Alternative Rail Route Feasibility Study believe that the economic potential of connecting Humboldt Bay to the national rail system is worthy of pursuing the Alternative Rail Route Feasibility Study to determine once and for all, what it would take to bring the historic Humboldt and Eastern rail concept back to life.

**RESOLUTION NO. 2012- \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EUREKA SUPPORTING THE HUMBOLDT BAY ALTERNATIVE RAIL ROUTE FEASIBILITY STUDY**

WHEREAS, modern transportation infrastructure is salient to the future security and economic development of the Port of Humboldt Bay, Humboldt County and northern California; and

WHEREAS, the economic impact of an active rail connection from the national rail system to Humboldt Bay is quantifiable by two recent missed opportunities that resulted in approximately \$25 million per year of lost economic value to our community because the two shipping opportunities located elsewhere due to the lack of an active rail connection to Humboldt Bay; and

WHEREAS, it is not known when, or if, the North Coast Railroad Authority (NCRA) will ever restore rail service to Humboldt Bay; and

WHEREAS, a study analyzing an east-west alternative rail route connecting Humboldt Bay to the national rail system would provide valuable information on the feasibility of restoring rail service to Humboldt Bay; and

WHEREAS the *Humboldt Bay Alternative Rail Route Feasibility Study* has been conceptually proposed to analyze the concept of developing an east-west alternative rail route from the national rail system to Humboldt Bay; and

WHEREAS, a new easterly route would likely connect Humboldt Bay to the existing Union Pacific main rail line just south of Red Bluff near Gerber, CA; and

WHEREAS, this potential new route, at approximately 125 miles long, is roughly half of the length of the existing Northwestern Pacific rail line and involves a fraction of the tunnels, bridges and signaled crossings of the existing rail line; and

WHEREAS, the *Humboldt Bay Alternative Rail Route Feasibility Study* is proposed to include a literature review on the history of this route, identification of a proposed route along with alternatives, identification of land ownerships along the proposed route, a conceptual development plan that includes rail ownership and governance, preliminary engineering feasibility, highway connectors and any proposed modifications to improve highway/rail interface, estimated permitting needs, estimated environmental issues and mitigations, and estimated development costs and timeline; and

WHEREAS, an easterly route could incorporate the Humboldt Bay Short Rail portion of the existing NCRA right-of-way from South Fork to Samoa when it became operational; and

WHEREAS, exploring an alternative rail route would provide valuable information on transportation options for economic development, as well as establishing a reliable connection to areas outside the local community when natural disasters or other events isolate the Humboldt Bay region; and

WHEREAS, the proposed study would provide data for both our decision makers and for those wanting to make investments in the Humboldt Bay region; and

WHEREAS, due to the apparent economic potential of a rail line connecting Humboldt Bay to the national rail system and since it is unknown whether NCRA will be able to restore a rail connection to Humboldt Bay in the foreseeable future, the City of Eureka now has an opportunity to lead an effort to explore the feasibility of an alternate rail route to the east.

***NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Eureka*** to support, as a public governing body, a feasibility study of an alternative (eastern) rail route to connect Humboldt Bay to the national rail system; and

Be it Further Resolved that the City of Eureka does hereby agree to develop a mechanism to acquire funding and technical support to insure the success of the *Humboldt Bay Alternative Rail Route Feasibility Study*.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka in the County of Humboldt, State of California, on the 17th day of January, 2012 by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

---

Frank J. Jäger, Mayor of the City of Eureka

*Attest:*

---

Pamela J. Powell, City Clerk

*Approved as to Administration:*

*Approved as to form:*

---

David W. Tyson, City Manager

---

Cyndy Day-Wilson, City Attorney