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TO: Policy Board

**Staff Report
RESOLUTION**

FROM: Vince Harris, Executive Director *VH*

DATE: October 19, 2007

SUBJECT: Approval of Support for Trade Corridor Bond Funding for the Crows Landing
Inland Port/Short Haul Rail to the Port of Oakland Project

Recommendation

BY RESOLUTION, approve the following requests from Stanislaus County's Chief Executive Officer:

1. The Stanislaus Council of Governments Policy Board (Policy Board) supports the development of a new rail transportation link between Crows Landing and the San Francisco Bay Area, and;
2. The Policy Board supports a joint application request for State trade corridor bond funding for the short-haul/commuter rail link, in partnership with other Northern California Regional Planning Agencies, when such funding is made available by the California Transportation Commission and the San Joaquin Valley Air District;
3. The Policy Board encourages staff participation in on-going joint efforts with the regional partner agencies in development, preparation, presentation, and submission of the joint Northern California Trade Corridor Bond application.

Background

This item was pulled from the September 12, 2007 Policy Board agenda at the request of the Stanislaus County Chief Executive Officer.

As reference, in October 1999, the President signed legislation authorizing the federal government to convey approximately 1,528 acres of property known as the Crows Landing Air Facility to the County as set forth in Public Law 106-82 (HR 356). According to the special legislation, the transfer of the property was made without consideration (without cost to the County) and does not relieve the federal government of the responsibility for soil and water environmental remediation.

All 1,528 approximate acres of the Crows Landing Air Facility are currently designated as "Agriculture" on the Stanislaus County General Plan and is zoned "A-2-40". Property title transfer to the County of approximately 1354 acres occurred on October 29, 2004, which includes two runways. NASA continues to hold title to approximately 170 acres. This acreage will be transferred to the county after the water and soil contamination is mitigated.

On September 26, 2006, the Board of Supervisors directed staff to issue a Request for Proposals (RFP) for a master developer for the Crows Landing Air Facility. The intention of the RFP was to solicit development proposals for the former air facility from private interests that would be consistent with the guiding principles outlined by the Crows Landing Steering Committee.

County staff received two proposals, one from PCCP West Park, LLC (West Park) and another from Hillwood, a Ross Perot Company. A screening committee and the full Crows Landing Steering Committee reviewed each proposal.

Because only two firms responded, both of which were highly qualified, and because both had requested exclusivity, the Board of Supervisors invited each firm to provide an informational presentation on February 13, 2007. On February 27, 2007, the Board of Supervisors approved a 12-month exclusive negotiation with West Park. The exclusive negotiation process with West Park is at its midpoint

Subsequently, at the Board of Supervisors meeting on March 6, 2007, the Chairman of the Board appointed Supervisor Monteith (District 4) and Supervisor DeMartini (District 5) as an Ad Hoc Committee to oversee the negotiation process. Staff members from the County Crows Landing Development Team (multiple County departments) and West Park (Developer planning team) have been working with the Ad Hoc Committee since its formation.

On March 20, 2007, the Board of Supervisors indicated its support of short-haul and commuter rail transportation opportunities through the development of an inland port that would connect the Port of Oakland and the Crows Landing Air Facility development. This support took the form of a resolution, which identified plans for designating 150 acres of the former Crows Landing Air Facility (or adjacent property) for a future intermodal transportation facility. In that same resolution, the Board of Supervisors requested a similar resolution from the Stanislaus Council of Governments in support for short haul rail and intermodal development on a portion of the former military air facility.

.A major component of the West Park concept will be the development of an "Inland Port/Short Haul Rail" project that will be the rail hub in the Central Valley for the movement of people and freight to and from the Bay Area as well as other major cargo handling centers along the West Coast of the United States.

Such a rail facility would allow California goods and produce to be put on rail and off of trucks for export to the Port of Oakland for markets all over the world. Conversely, it will allow the import of goods that can be sold in all of Northern California to come out of the Port of Oakland by rail to distribution, storage, assembly and packaging centers within the West Park development, including the County's own property. In effect, the rail facilities at West Park would be an extension (and enhancement) of the import/export services of the Port of Oakland, and, therefore, in itself, could be considered an "Inland Port."

Discussion

StanCOG has been asked by the County Chief Executive Officer (CEO), to indicate through a formal resolution, support of the Short Haul rail project and associated efforts to obtain additional project funding. This additional funding would be provided through application and receipt of Trade Corridors Improvement Program funds. These funds are part of the State Infrastructure Bonds approved by California voters in November 2006 under Senate Bill 1266.

The County CEO's request further formalizes staff's ongoing activities approved by the StanCOG Policy Board on December 13, 2006. At the Board's direction, since that time, staff has been working jointly with other Northern California Regional Planning Agencies on developing a joint Trade Corridors Improvement Program funding application. This effort currently includes both the Short Haul Rail project and improvements to State Route 132.

It is anticipated that the Trade Corridors Improvement Program will require at least a 50% match condition on requested bond funding. For the Short Haul Rail project, the County of Stanislaus expects to contribute the value of 170 acres on the former north-south runway at Crows Landing; with the remaining match requirement to be provided by the developer. The West Park development group has provided a letter stating their willingness to obligate match funds should other sources not materialize, and as part of a negotiated development agreement.