

California Sustainable Freight Action Plan: Pilot Project Proposal
Salinas Valley Intermodal Facility Implementation Plan
Association of Monterey Bay Area Governments
Contact: Paul Hierling, Planner
phierling@ambag.org, 831-264-5084

1. **Name and Contact Info:** Paul Hierling, Planner, Association of Monterey Bay Area Governments (AMBAG); phierling@ambag.org, 831-264-5084.
2. **Project Title:** Salinas Valley Intermodal Facility Plan
3. **Location:** Union Pacific (UP) Coast main line and surrounding area in Chualar, CA and Gonzales, CA
4. **Executive Summary:** An intermodal truck to rail facility would support the rapid movement of perishable, agricultural, and other products from Monterey, Santa Cruz, and San Benito Counties. The goods movement and agricultural industry is one of the main economic engines of this region and keeping it vital and competitive is critical to the California Central Coast. Currently, the nearest connection to an intermodal yard is located in the San Francisco Bay area. A more accessible link to the national rail system would make the region a more desirable connection for agricultural transport. This pilot project would build off of a study of the Shippers-Growers Association of Central California which showed there was a desire among the private industry to expand modes of shipping, and the subsequent Salinas Valley Truck to Rail Intermodal Facility Feasibility study completed by AMBAG in 2011. With increasing congestion along the US Highway 101, Interstate 5 (I-5), and east-west routes leading to I-5, a future truck to rail intermodal facility in the region has the potential to mediate congestion, reduce freight related GHG emissions, reduce wear and tear on state roadways by moving freight traffic to rail, facilitate goods movement throughout the state, and facilitate freight movement to and from ports.

The Salinas Valley Truck to Rail Intermodal Facility Feasibility Study identified two potential priority intermodal facility sites. This project would determine the best final site for a facility between the two alternatives identified in the Feasibility Study. This plan would identify a single priority site, and prepare a cost analysis, site layout, environmental review, and operational analysis. An environmental analysis would help identify potential traffic issues, flooding risks, water quality impacts, air quality impacts, and biological impacts. According to the Feasibility Study, shifting some truck goods shipments to rail has the potential to reduce traffic congestion by at least 10 percent and freight related greenhouse gas emissions by 59 percent.

5. **Detailed Description:**

Project Background

This project is based on partnerships and efforts involving Caltrans, Association of Monterey Bay Area Governments (AMBAG), Transportation Agency for Monterey County (TAMC), Monterey Bay Unified Air Pollution Control District (MBUAPCD) and private sector stakeholders. In 2008, the Grower-Shipper Association of Central California commissioned a study analyzing the potential to shift modes of shipping agricultural products to major markets throughout the United States. The study showed that rail could provide a cost competitive alternative to trucks.

It also showed that moving more products via rail would result in improved transportation system mobility and air quality benefits. In 2012, AMBAG produced a subsequent study analyzing the feasibility of developing an intermodal facility that would provide truck-to-rail transfer, facilitating the shift to rail shipment. This project has been identified as a regional priority in the 2012 AMBAG California Central Coast Commercial Flows Study, the 2014 TAMC Regional Transportation Plan, and the draft US Highway 101 Central Coast California Freight Plan (to be completed 2016). It has also been identified as a state priority in the 2014 Caltrans California Freight Mobility Plan (CFMP).

Scope

- Identify a Priority Site: The project will assess two priority sites, identified in the Salinas Valley Truck to Rail Intermodal Facility Feasibility Study (2011), and determine which site is the best candidate for a facility. This assessment will include a preliminary assessment of environmental challenges and other risks, and will also include input from industry representatives from the Shippers-Growers Association of Central California, and federal, state, and local agencies.
 - Alternative A: Chualar. Alternative A is located within Chualar, formally a census-designated place, and an unincorporated community area within Monterey County. The existing community is located on the northeast side of US 101. The project site would occupy space 500 feet to the southwest from the community, north of Chualar River Road, and west of existing US 101 and Union Pacific (UP) rail.
 - Alternative B: Gonzales. Alternative B is located within the boundaries of Monterey County, further south than Alternative A. Alternative B is located about 1 mile northwest of the city of Gonzales, but is not located within city limits. The project would occupy space on the southwest side of US 101, UP rail, and Foletta Road. The new track construction would need to include a crossing for the new track to cross Foletta Road.
- Site Plan Design for Priority Site:
 - The project will prepare a permit review, cost analysis, site layout, and operational analysis. This will include an evaluation of the need for interchange improvements needed to accommodate facility including ramp widening, intersection widening, on-ramp/off-ramp improvements, and overcrossing widening. Evaluation shall include analysis resulting in a scope, schedule, and budget for these capital and operational improvements. Evaluation will include issues related to loading and unloading, establishing an operations center, truck fueling facilities, maintenance facilities, and other related intermodal facility elements.
- Environmental Evaluation of Priority Site:
 - The project will prepare an environmental review of the priority site to identify potential issues such as traffic impacts, flooding risks, water quality impacts, air quality impacts, noise impacts, and biological impacts. This will be informed by the Salinas Valley Truck to Rail Intermodal Facility Preliminary Environmental Analysis Report (2011) which scoped out potential concerns. The environmental evaluation will facilitate and streamline the rapid development of the site into an intermodal facility by completing environmental assessment up-front.

Economy and Jobs

The agricultural industry in Salinas Valley is one of the principal economic engines in Monterey County. As of 2008, agricultural related industries such as farming, food manufacturing, wholesale trade, and transportation and warehousing employed approximately 31,000 people in Monterey County. Industries that support agriculture, such as food manufacturing, wholesale trade, and transportation and warehousing, employ approximately 17,000 people in the county. Agricultural products and foodstuff are the most important commodities for the county, generating annual exports valued at \$8 billion equating to nearly \$1 billion in net earnings.

Building a Truck to Rail Intermodal Facility in the Salinas Valley will help provide a viable transportation alternative for agriculture and other freight-dependent industries. AMBAG studies found that improved intermodal service would provide cost savings to the shippers, allowing the agriculture industry to remain competitive with other agriculture production regions in the US.

Safety and Mobility

In 2007, trucks moved over 19 million tons of freight in Monterey County, or 86 percent of total freight by tonnage. Trucks were also responsible for moving almost \$11 billion of freight in the county, equaling about 85 percent of total freight by value. These figures reflect the freight trends observed in the overall Central Coast region. As of 2012, 77 percent of freight moves by truck in the Central Coast whereas only 3 percent moves by rail. The dependence on trucking has led to increases in truck traffic, which has contributed to congestion on state highways and local roads.

Increasing the viability of rail as an alternative to trucking would help to reduce congestion on Central Coast highways and roads. Specifically, the facility will help reduce congestion on US Highway 101, the region's most significant freight asset. The 2012 AMBAG feasibility study included a detailed supply chain analysis to forecast truck trip reductions that could be expected from shifting low-perishable produce shipments to rail. The study found that shipping via rail has the potential to shift almost 47,000 truckloads from highway to rail annually. In the Central Coast, the estimated reduction in trucks equates to a 10 percent reduction in highway congestion.

Emissions Reductions

The 2012 AMBAG feasibility study also shows annual emissions reductions resulting from the intermodal rail service project. The study estimated the emissions reduction due to a mode shift to rail using the Motor Vehicle Emission Simulator (MOVES) model. This analysis showed that greenhouse gas emissions (Carbon Dioxide equivalent) can be decreased by 59 percent. Other pollutants will be reduced by an average of 35 percent (12 percent for Nitrogen Oxides, 34 percent for Volatile Organic Compounds, 42 percent for Carbon Monoxide, 45 percent for Particulate Matter 10 and 41 percent for Particulate Matter 2.5). This has implications for improving both health and air quality throughout the region.

Natural Resources & Energy Security

Introducing a viable rail alternative in the Salinas Valley will provide an alternative to transcontinental trucking of regional products, which will directly help reduce future freight dependence on fossil fuels. A related consideration driving the movement towards truck to rail is the increasing volatility of the trucking industry. The Journal of Commerce reported on June 28, 2011 that according to a survey of trucking lines done by Transport Capital Partners, truckload rates have increased 5 – 15 percent in the first half of 2011 with more increases expected in the second half of 2011.

The uncertain future for trucking is attributed to increase fuel costs and driver shortages. In 2011, diesel fuel prices reached \$3.90 per gallon. These levels were not expected by US Energy Information Administration forecasts until after 2020. Driver shortages are attributed to changes in hours of service rules, tougher rules on driver's license documentation requirements, and changes to the Federal Motor Carrier Safety rules. These conditions have led to an increase in the demand for intermodal rail.

6. **Estimated Cost for Implementation and Existing Funding:** Based on previous planning studies and preparation of environmental assessment documents, this project is expected to cost \$3,000,000. Funding contributions may come from contributions by the Grower-Shipper Association of Central California, which represents the largest agricultural producers of the Salinas Valley, and which provided funding for the feasibility study in the past.
7. **Timeline:** This project is estimated to take 3-3.5 years, with the first year reserved for site and project planning, the next two years reserved for environmental assessment, and a six month period for Request for Proposal time and schedule contingency.
8. **Means for Measuring Progress:** Performance measures for monitoring progress over time that are directly related to the benefits expected from this project may including the following measures:
 - a. Travel Time Reliability
 - b. On time performance
 - c. Vehicle hours of delay reduction
 - d. Vehicle miles traveled reduction
 - e. GHG emission reduction
 - f. NOx and other criteria pollutant reduction
 - g. Distressed pavement reduction
 - h. Job growth
 - i. Gross regional product growth
9. **Agency Roles:** AMBAG is the lead agency on this project. This project is a candidate for public-private partnership. Stakeholders may include California Air Resources Board and Caltrans at the state level, AMBAG, MBUAPCD, and TAMC at the regional level, the County of Monterey, and the Grower-Shipper Association representing the private sector.