



FOR IMMEDIATE RELEASE

October 12, 2012

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Santa Cruz Branch Rail Line Now in Public Ownership

SANTA CRUZ, CA, October 12, 2012 – The Regional Transportation Commission (RTC) for Santa Cruz County and Union Pacific announced today that they have completed transfer of the Santa Cruz Branch Rail Line from private to public ownership for \$14.2 million. Most of the funding was secured by the RTC from Proposition 116 bond funds approved by both a majority of Californians and Santa Cruz County voters in 1990. The value of public ownership of the corridor is to increase access and retain use of to the 135 year old transportation asset. Iowa Pacific Holdings, to operate locally as Santa Cruz and Monterey Bay Railway, was selected as the short line operator for freight and passenger service.

The purchase is a triple win-win-win for the community, Union Pacific and Iowa Pacific Holdings. The 32-mile continuous transportation corridor spans the county and runs parallel to the Highway 1 corridor, offering tremendous potential for a vital mobility link for residents and visitors alike.

Union Pacific (UP), a leading transportation-services provider in the United States, recognized the sale of the rail line as an opportunity to continue serving the needs of existing customers, while supporting the region's overarching transportation goals. UP serves hundreds of customers on the West Coast today through the operational efficiency of more than 3,200 miles of railroad track in California.

Iowa Pacific Holdings, based in Chicago, has seven other short line railroads with operations in Oregon, Colorado, New Mexico, Texas, Illinois and New York State. In addition, through affiliates Iowa Pacific has railway and related operations in the United Kingdom. Ed Ellis, president of Iowa Pacific, said "This is our first experience in northern California, and we are looking forward to working with the RTC, Union Pacific, shippers, and local communities to develop and expand both freight and passenger services provided by the Santa Cruz and Monterey Bay Railway."

Congressman Sam Farr was instrumental in securing federal funds which were a key piece of this extraordinarily complex transaction, more than ten years in the making.

As included in the negotiated agreement approved in 2012 between the RTC and Union Pacific, the purchase includes \$5.3 million in funding set aside to upgrade a number of structures on the line. The RTC will proceed with work on both timber and steel trestles over the next year.

Uses of the rail corridor include continued freight rail primarily for agriculture and building materials and seasonal passenger rail service in the short term. These two uses augment the county's primary tax base thereby contributing toward vital services for residents. In the medium and longer term, a variety of transportation uses will be considered such as a bicycle and pedestrian trail adjacent to the tracks where it can be accommodated safely within the corridor and rail passenger services.

A community celebration event is scheduled for Saturday November 17. A number of festivities will take place along the rail line. More details will be posted on the RTC website as they become available.

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