SANTA CRUZ COUNTY
Civil Grand Jury

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THE SANTA CRUZ BRANCH RAIL LINE: COMPETING VISIONS, EMERGING REALITIES

Goats clearing invasive vegetation along the Santa Cruz Branch Rail Line. Photo provided by SCCRTC

Summary

For over four decades, the Santa Cruz County Regional Transportation Commission (RTC) has sought to determine how best to use the Santa Cruz Branch Rail Line (SCBRL), a 32-mile rail corridor stretching along the coast from Davenport to Pajaro Junction in Monterey County. The SCBRL represents one of only three continuous transportation routes in Santa Cruz County that

run through the populated and geographically constrained coastal area. As such, it has long been viewed as an important asset with the potential to support a range of public uses, including passenger rail, freight service, and bicycle and pedestrian infrastructure.

The SCBRL is geographically and politically complex, presenting substantial challenges for the RTC as it has sought to develop the rail corridor for public use. Despite extensive study, significant public investment, and years of deliberation, the project has evolved into a prolonged and increasingly complicated undertaking marked by shifting priorities, escalating costs, and intense public division.

In recent years, the RTC has taken meaningful strides to improve its ability to adequately plan and deliver major capital projects. Nonetheless, the consequences and costs of delay have been substantial. The most recent concept report indicates that building a passenger rail system could cost more than $4 billion to implement, far beyond earlier estimates. At the same time, projected costs for constructing the Coastal Rail Trail have also ballooned. Moreover, the public debate, which could have been mitigated had accurate information been provided earlier, has led to deep divisions within the community. Most importantly, the corridor remains underutilized.

The 2025-2026 Santa Cruz County Civil Grand Jury (Grand Jury) finds that the central failure is not simply disagreement over whether the corridor should support rail, trail, or both. Decision-making has suffered from a fundamental flaw: key policy choices were not adequately grounded in a realistic assessment of the corridor's physical constraints, engineering requirements, legal limitations, and financial costs. As a result, the RTC and the public have spent years debating options that, in some cases, were not viable given financial and engineering realities.

The Grand Jury recommends that the RTC continue to take steps to address these deficiencies, increasing its capacity to build transformational infrastructure. The RTC should firmly ground investments in future trail segments and rail studies in the physical realities of the rail corridor, designing a capital project advancement framework and working with experts to follow best practices. The RTC should also explore opportunities to utilize new contracting techniques to improve project delivery and create a strategic plan to guide prioritization and decision making. By doing so, the RTC will be better positioned to build upon the important work that has already been done to deliver public benefit along the SCBRL and throughout Santa Cruz County.

Background

The Santa Cruz Branch Rail Line

The Santa Cruz Branch Rail Line (SCBRL) is an approximately 32-mile rail corridor following the coast of Monterey Bay from Davenport to Pajaro Junction in Monterey County. First built in the 1870s, the line historically served as a freight corridor supporting agricultural and commercial activity throughout the region.[1]

During the early 1900s, Southern Pacific Railroad operated intercity passenger service on the line, which largely ended by the late 1930s. However, seasonal excursion trains connecting Santa Cruz beaches with San Jose and other Bay Area destinations, such as the Suntan Special, continued for another two decades. All passenger rail service on the corridor effectively ended by late 1959 as increasing automobile use and changing regional transportation patterns reduced demand for rail travel.

As Santa Cruz County's economy evolved and industrial production declined, freight activity on the corridor decreased dramatically. Today, the once-active rail corridor supports only limited freight operations on three miles of track in Watsonville and the seasonal Roaring Camp excursion train between Felton and the Boardwalk, which utilizes a one-mile overlap with the SCBRL near the Boardwalk.

The Geography of the Rail Corridor

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

The SCBRL traverses a strikingly beautiful – and very complicated – coastal route[2] which has long come with unique challenges for rail operators. Wash-outs have closed sections of the rail line many times over its history, and the corridor took considerable damage from historic winter storms in 2017. This, combined with the range of geographic features and interactions with the

built environment along the line, make development on the rail corridor both complicated and expensive.

In the north, the corridor runs along coastal terraces, crossing creeks mainly on large earthen embankments parallel to Highway 1, and traversing a warren of agricultural and recreational access roads. In Santa Cruz, the corridor passes through industrial and residential areas, crossing roads at oblique angles before dropping down to the Boardwalk on a route sandwiched between a steep slope and the water treatment plant. In front of the Boardwalk, the rail corridor runs on surface streets through the busy beachfront area heavily used by vehicles, bikes and pedestrians.

The rail line crosses the San Lorenzo River bridge into a rail cut and then passes over the Santa Cruz Small Craft Harbor into unincorporated Santa Cruz County. Here, the line crosses a series of waterways and passes dense residential neighborhoods through a narrow corridor, with significant infringements from neighboring property owners.

In Capitola, the rail corridor crosses Soquel Creek and Capitola Village on the Capitola Trestle, a complex of timber and wrought-iron bridges built in the 1870s. The trestle was not built to modern engineering standards and poses significant loading and seismic risks. Like many of the bridges on the rail line, it is currently closed to all traffic. Beyond the trestle, the corridor exits Capitola through another cut near the edge of the coastal bluffs.

In Aptos, the rail corridor transits New Brighton State Park and Aptos Village and crosses Highway 1 twice on outdated rail bridges that are scheduled to be replaced as a part of ongoing highway widening. It also bridges Aptos and Trout Creeks, access to which is complicated by steep terrain and elevated crossings of surface streets. Through Rio Del Mar, the rail line runs through a series of deep cuts and crosses several additional creeks on trestles.

At La Selva Beach, the corridor takes in expansive views of Monterey Bay, then turns inland, climbing through yet another cut to parallel San Andreas Road. Beyond Buena Vista Road, the corridor is built into the side of a steep hill, with the track perched on a narrow ledge with a precipitous drop below and a near vertical hillside above. After skirting the edge of Gallighan Slough, the rail line crosses Harkins Slough on a narrow earthen causeway.

On the Pajaro River floodplain, the topography moderates and the rail line approaches Watsonville through farm fields, passing industrial areas still served by limited freight rail and passing under Highway 1. The rail line runs down the middle of Walker Street, before crossing the Pajaro River and connecting to the national rail network at Pajaro Junction in Monterey County.

Santa Cruz County Regional Transportation Commission

The Santa Cruz County Regional Transportation Commission (RTC) was created in 1972 by the State of California to serve as the transportation planning agency for Santa Cruz County. The RTC is governed by a board of twelve commissioners comprised of the five members of the Santa Cruz County Board of Supervisors, one representative from each of the four cities in the County, and three from Santa Cruz Metro. Commissioners can appoint an alternate to serve on the commission in their place. RTC staff work to implement the commission's statutory obligations and directives from the board of commissioners. This structure reflects County, city, and Metro interests, but also creates a governing body with frequent turnover and competing priorities. Personal and political considerations can result in delayed decision-making and

makes maintaining consistent long-term direction more difficult. Also, the even number of commissioners increases the risk of deadlock, raising the possibility of votes ending in a tie.

Historically, the RTC's role was limited to regional transportation planning and allocating transportation funding to jurisdictions and agencies in Santa Cruz County. The commission's legislative charter was amended in 2001 to give it the power of eminent domain and the power to "oversee multimodal transportation projects and services on rail rights-of-way."[3] In 2012, the RTC acquired the SCBRL, marking the Commission's first time owning a transportation asset.

In the past two decades, the scope of the RTC's role has changed significantly. In addition to buying the rail corridor, the RTC's role was further expanded by the passage of Measure D in 2016. Measure D approved a 30 year, ½ cent sales tax to fund transportation infrastructure in Santa Cruz County. This funding stream was initially forecasted at $17 million dollars per year,[4] and in 2023-24 generated $27.6 million.[5] The rail corridor receives 8% of the total revenue from the sales tax. This influx of reliable local funding and expanded project scope has necessitated significant changes to the RTC. In particular, staffing priorities have shifted as the RTC has hired engineers and project managers to deliver larger, more complex projects.

The RTC has focused on leveraging Measure D funds as local match, unlocking larger State and federal grants and further expanding the pool of regional transportation funding. By all accounts, the RTC has been extraordinarily successful, obtaining grant funding at a disproportionate rate to the County's small size and population. This includes the largest California Active Transportation Program (ATP) grant in State history for the Coastal Rail Trail.[6] The RTC also has had success in the Solutions for Congested Corridors Program (SCCP) and other large state and federal transportation grants.[7] The RTC's successful applications have focused on multimodal transportation corridors incorporating cars, mass transit, walking, and biking, and have included significant local matching funds.

As a "self-help" county with a dedicated local funding stream, the RTC has the ability to weather some shifts in planning and construction costs. However, repeated cost overruns and significant funding shortfalls before and during construction raise questions about the sustainability of this grant funded model.

Acquisition of the Santa Cruz Branch Rail Line

The Santa Cruz Branch Rail Line has been a target of sustained community interest for decades. The RTC began studying the corridor in the 1980's, and the financial groundwork for acquiring the SCBRL was laid by Proposition 116 in 1990, which allocated $11 million to the allocated $11 million to the RTC for "intercity passenger rail" and "other rail projects within Santa Cruz County."[8]

The RTC conducted passenger demonstrations on the rail line in 1996 and began planning potential public uses for the rail line. In 1999, the RTC voted to pursue the purchase of the corridor. Negotiations with the then owner, Union Pacific, began in 2001, with the RTC signing a notice of intent to purchase the line in 2004. In 2010, the RTC voted to enter into a purchase agreement for the rail line, and the deal closed October 12, 2012.

The purchase cost of $14.2 million was financed by Proposition 116 money and State Transportation Improvement Program (STIP) funds. In order to get funding for the purchase, the RTC committed to maintain freight rail on the corridor, agreed to initiate a recreational rail project, and promised to reimburse the State for acquisition costs if the RTC did not use the corridor for rail. Communication with the State made it clear that a trail and the possibility of

future rail was not sufficient for funding through Proposition 116.[9] Regardless of these constraints, the acquisition was undertaken with the general objective of preserving the corridor for future transportation purposes, including potential passenger rail and trail uses, although the specific long-term plan for the corridor had not yet been defined.

Owning and Maintaining a Federally Regulated Rail Line

The rail corridor consists of both fee title (land owned by the RTC) and railway easements (which allow the RTC to use privately owned land for rail purposes). The corridor is part of the federally regulated national rail network and subject to the jurisdiction of the Surface Transportation Board (STB) and Federal Railroad Administration (FRA). Rail lines under STB jurisdiction must be operated by a designated "common carrier" responsible for providing rail service over the line. If rail service is not maintained, easement holders may seek to reclaim underlying property rights. Thus, to avoid the risk of corridor fragmentation, the RTC must continue to use the rail corridor in alignment with federal railway law. Upon purchase of the rail corridor, the RTC entered into an Administration, Coordination and License Agreement (ACL) that transferred the common carrier obligation first to Iowa Pacific Holdings and later, in 2018, to Progressive Rail.[10,11]

Freight activity on the SCBRL is currently limited to a three-mile segment in Watsonville, serving a small number of freight customers. The RTC's relationship with its freight operators has been marked by recurring disputes and operational challenges. Both Iowa Pacific and Progressive have struggled to make freight operations financially sustainable and have allowed the condition of the rail line to further deteriorate. In 2021, Progressive Rail attempted to pull out of the ACL and abandon the rail line[12] but ultimately walked back from this threat. In 2024, the most recent year with publicly available information, Progressive Rail transported just 130 freight cars for an average of 2.5 cars per week.[13]

Adding another wrinkle, the RTC has also struggled to maintain a working relationship with Roaring Camp,[14] which operates the Santa Cruz, Big Trees and Pacific Rail Line (SCBG) between the Boardwalk and Felton. The SCBG is connected to the national rail network by the SCBRL. Starting in 2021, Progressive has subcontracted with Roaring Camp to provide freight service in and around Watsonville.

In early 2026, the RTC moved to end its ACL with Progressive Rail, citing failure to maintain and upgrade the line, failure to maintain the agreed upon level of freight volume and failure to work with the RTC on its priorities for the rail corridor.[15] Progressive Rail ultimately settled with the RTC in April 2026. The RTC plans to sign a new ACL, with Chicago, Rock Island & Pacific Rail taking responsibility for freight service in Watsonville.[16] The RTC will take over the remaining 29 miles of the line not currently in use for freight through a newly created non-profit subsidiary controlled by the RTC. The termination settlement calls for Progressive Rail to file for a "discontinuance of service" on this section of the rail line, a designation that indicates the line is currently unsuitable for active rail transportation without precluding future rail use. This allows for greater flexibility, for example giving the RTC the option to direct construction of a multiuse trail directly over the tracks while continuing with longer range passenger rail planning. In return, the RTC will pay Progressive $450,000, avoiding a potentially costly legal fight. In doing so, the RTC will preserve active freight service in Watsonville and give the RTC greater control of the over the inactive portions of the corridor as it advances near-term trail construction while preserving long-term rail options.

Studying the Rail Corridor

For over forty years, the RTC and its partners have conducted study after study on the SCBRL. The earliest modern work began in 1980 and was further refined in 1983, when the RTC studied the feasibility of passenger rail on the corridor and found "a large ridership demand" for passenger rail between Santa Cruz and Watsonville.[17] In 1998, the RTC released two significant studies involving the SCBRL. The Major Transportation Investment Study (MTIS) compared multimodal alternatives and recommended a bikeway/busway in the short term and passenger rail in the long term.[18] The Around the Bay Rail Study, produced in collaboration with the Transit Agency of Monterey County (TAMC), envisioned weekend tourist trains from the Bay Area and daily passenger trains between Santa Cruz and Monterey.[19]

In the early 2000s, the focus of study grew more granular as the RTC sought to lay the groundwork for corridor acquisition.[20] The RTC and its consultants studied the condition of the line and the economics of freight rail on the corridor, the status of the deeds and title underlying the rail corridor, as well as appraising the value of the corridor itself. To ensure compliance with Proposition116 funding requirements, the RTC also studied recreational rail, eventually focusing on a segment between Capitola and Seascape. The purchase of the SCBRL in 2012 represented the culmination of these studies.

After purchasing the rail line, the RTC had significantly more latitude to pursue its own priorities. The Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan was adopted in 2013, detailing a vision for a 32-mile coastal trail largely along the rail corridor.[21] The MBSST served as both a preliminary design and planning document, laying out options for the phased delivery of pedestrian trail segments along the rail corridor. Subsequent environmental and engineering reports have built upon the MBSST to implement specific sections of the rail trail.

In 2015, the RTC published the Rail Transit Feasibility Study, which evaluated potential passenger rail configurations, station locations, ridership, and costs, laying the foundation for more advanced analyses.[22] This study found that rail transit on the SCBRL was technically feasible but expensive and recommended a phased starter service to improve viability before any full build-out. The 2019 Unified Corridor Investment Study (UCIS) evaluated countywide transportation scenarios across key corridors, including the rail line, and recommended preserving the rail corridor for high-capacity transit.[23] The 2021 Transit Corridor Alternatives Analysis (TCAA) then studied possible transportation options on the corridor, ultimately determining that electric passenger rail was the "locally preferred alternative" for high-capacity transit.[24] Both the UCIS and the TCAA put capital costs to fully implement passenger rail in the ballpark of $480 million. Based on these studies, the RTC produced a 25-year business plan, which the commission failed to adopt after a tied 6-6 vote in March 2021.[25]

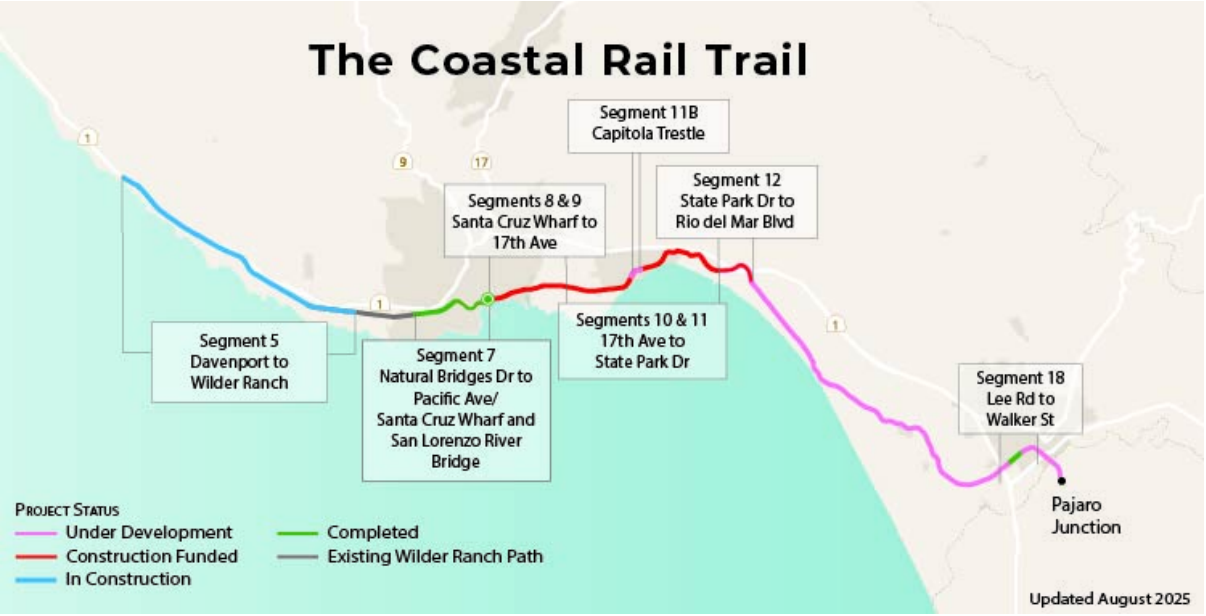
Beyond these local studies, the SCBRL has been identified by State and federal officials as an important rail project. In 2023, the rail line was included in the federal Corridor ID program as part of the Central Coast Corridor, which provides funding for scoping, project development, and environmental review, and eventually makes the corridor eligible for federal grants for final design and construction.[26] The line was also included in the California State Rail Plan as a medium to long term investment, and Caltrans has taken the lead on guiding the corridor through the Corridor ID program.

In 2025, the RTC released the Zero Emission Passenger Rail and Trail (ZEPRT) Concept Report, which explored the technical pathway for zero-emission rail service while completing the remaining sections of the coastal trail.[27] The ZEPRT report was much more rigorous than past reports and the first study to incorporate meaningful high level engineering analysis. The report

estimated a cost of approximately $4.3 billion to build the full passenger rail system, an order of magnitude higher than previous studies.

Alongside these major reports, the agency produced numerous environmental, engineering, and structural evaluations—reflecting a sustained, multi-decade effort to understand and plan for the rail corridor's long-term transportation role.

How the Rail Corridor is Currently Being Used



As of June 1, 2026, the RTC and its partners have built approximately 3 miles of bicycle and pedestrian trail along the SCBRL, mostly within the City of Santa Cruz.[28] The Westside Rail Trail (Segment 7 phase I) between Natural Bridges and Bay Streets was completed in 2020, with an additional section (Segment 7 phase II) between Bay St and the Wharf completed in 2025. The Beach Street bikeway connects this segment to the bridge across the San Lorenzo River – a cantilevered structure completed in 2019. In Watsonville, approximately ¼ mile of trail (Segment 18, phase I) connects Ohlone Parkway to the Watsonville sloughs trail system.

Another 7.5 miles of trail (Segment 5) are currently under construction between Wilder Ranch and Davenport on the North Coast. Funded by Federal Land Access Program (FLAP) grants with local match, this project is scheduled for completion in Fall 2026. Additionally, 6.5 miles of trail (Segments 8-11) between the Boardwalk and State Park Drive are currently in final design phase. Financed by the largest Active Transportation Program (ATP) grant in California history, design and financing constraints have shifted to place the trail for Segments 9-11 directly over the rail line in the so-called "interim" configuration. In Aptos, 1.25 miles of trail (Segment 12) is scheduled to be built as a part of a larger multimodal project that also focused on Highway 1 and Soquel Drive.

Rail operations along the corridor remain limited. Freight service continues on a three-mile segment in Watsonville, while Roaring Camp operates excursion trains on a short section of track between Depot Park and the Santa Cruz Beach Boardwalk. Seasonal tourist excursion service also operated on portions of the corridor between 2013 and 2016. Aside from these limited activities and the trail projects described above, the RTC's rail and trail vision for the corridor remains in the planning or conceptual stage.

Scope and Methodology

The Grand Jury selected the Santa Cruz Branch Rail Line (SCBRL) for investigation because of the longstanding public controversy surrounding the corridor and the widespread disagreement regarding its costs, feasibility, and future use. Midway through the investigation, the RTC released the ZEPRT Final Project Concept Report, which estimated that implementing passenger rail along the corridor could require capital investment exceeding $4.3 billion. This estimate differed dramatically from figures that had informed earlier public discussions and policy decisions and underscored the importance of understanding how the RTC's decision-making processes evolved over time. Accordingly, this report examines the historical trajectory of RTC decision-making, project prioritization, and corridor planning as they relate to the SCBRL.

The Grand Jury's methodology combined witness testimony, document review, and archival research. Investigators conducted extensive interviews with elected officials, RTC commissioners and staff and transportation professionals. These interviews were supplemented by attendance at RTC meetings, review of RTC agendas and recordings, and examination of relevant legal, financial, and planning documents. The Grand Jury also reviewed consultant reports, funding measures, transportation studies, property records, title documents dating to the nineteenth century, and materials produced in response to Grand Jury requests. Finally, investigators reviewed historical and contemporary news coverage to better understand the evolution of public debate and the positions advanced by key stakeholders throughout the history of the project.

Analysis

What Did the RTC Actually Purchase?

The RTC began studying the Santa Cruz Branch Rail Line (SCBRL) in the 1980s and 1990s, producing major studies of the rail corridor in 1983 and again in 1998. At the time, the SCBRL was a functioning, if somewhat "underutilized," freight rail line owned by Southern Pacific (and after 1996, Union Pacific), serving a range of freight customers.[29] However, the economy of Santa Cruz County was changing and with the decline in manufacturing, the rail line's owners systematically scaled back investment.[30] Sidings were removed as previous customers severed connections to the rail line and freight volume declined. In 1999, the RTC voted to initiate efforts to buy the corridor, with studies increasingly focused on facilitating this goal. These studies often took as a starting point that the rail line was in use for freight rail and could continue to serve that purpose indefinitely, with minimal annual maintenance paid for by rail operations.

The RTC's push to buy the SCBRL was a drawn-out affair, with over a decade elapsing between the RTC's initial vote to pursue purchase of the line and when the acquisition was completed. During that time, Union Pacific had little incentive to invest in anything more than the bare minimum of maintenance. The appraisal technique used to value the SCBRL focused on the value of the land within the corridor, not its rail infrastructure, further disincentivizing upkeep on the rail corridor. In 2010, the Davenport cement plant closed, eliminating the only significant freight customer north of Watsonville. As a result, the RTC could no longer expect a common carrier to foot the bill for upkeep along the rail corridor. The RTC and its partners would now need to manage the degradation of the rail line using limited revenue from rail operations or from public funds.

The RTC was not in the dark about the fact that the SCBRL was an asset in need of investment, but efforts to quantify the extent to which this was the case were limited. The RTC's immediate priority was to bring the corridor into the public domain as a transportation asset. Longer range planning focused on aspirational goals for the rail corridor, as planning staff and consultants framed possibilities but did not produce detailed implementation assessments. Grand Jury interviews suggest that RTC stakeholders would likely have thought about the acquisition of the SCBRL differently if they had more complete information at the time of purchase about the condition of the rail corridor.

Beyond the uncertain condition of the infrastructure, RTC purchased the SCBRL without fully resolving the complicated boundaries between fee title ownership and private easements. This was not completely unreasonable – as long as freight was using the rail line, the asset was protected by freight right-of-way easements. Importantly, the RTC followed best practices by obtaining title insurance for the SCBRL, providing protection from title and easement issues. However, the loss of freight capacity and growing interest in building non-rail infrastructure on the corridor has increased the importance of ownership. At the same time, illegal encroachments onto the right-of-way have complicated trail construction. The RTC is actively working to resolve remaining ownership disputes, a process made more difficult by land and easement deeds that date back to the late 1800s.

When the RTC purchased the rail corridor, it acquired a federally regulated rail line and the associated complexity of managing common carrier obligations. Due diligence documents suggested it could contract out freight operations with minimal investment. In practice, the RTC has failed to reach alignment with its common carriers on the subject of maintenance,

ultimately leaving the RTC financially responsible for millions of dollars in storm damage repairs and upgrades.[31]

As a result, the RTC has faced a significant quandary. As the owner of a rail line that is "falling into a state of disrepair," the RTC is ultimately responsible for the significant investments necessary to simply keep the rail line in service, let alone upgrade service on the corridor.[32] A corporate owner would likely have eventually abandoned the rail line,[33] but this flies in the face of assurances the RTC had made to the California Transportation Commission, not to mention the stated *raison d'etre* for buying the line in the first place.

Lack of Technical Expertise to Evaluate the Rail Corridor

When the RTC purchased the SCBRL in 2012, it did so as an agency with little experience building or owning infrastructure. For most of its history, the RTC was primarily focused on regional transportation planning and allocating State and federal funding to other agencies. It operated in the world of planning-level studies, not operations and maintenance and it employed no in-house project delivery staff. The RTC had been studying the SCBRL for decades, but much of this was focused on imagining how future rail transportation could be integrated into the region's transportation system, rather than how that infrastructure would actually be built. As a result, with the purchase of the rail corridor, the RTC found itself responsible for a complex asset without institutional capacity to act effectively.

With no transportation engineers on staff, the RTC had to outsource all engineering work to consultants. This reliance on outside experts rather than staff contributed to an early period dominated by long-range planning analyses instead of studies grounded in the physical reality of the corridor. It also prevented the RTC from developing the on-the-ground familiarity that comes from direct responsibility for and prolonged engagement with a complex project. The lack of institutional knowledge insulated the RTC from directly confronting the state of the infrastructure on the SCBRL.

In the intervening years, the RTC has made significant strides to correct this deficiency. In 2017, the agency hired its first engineer, and additional hires have further bolstered the ranks of technical staff capable of delivering major capital projects. As a result, the RTC has expanded its capacity for direct oversight of such projects, including those on the rail corridor. In October 2024, the RTC completed an organizational restructuring that further aligned the RTC's staffing structure to better reflect its expanded portfolio, adding a director of capital projects and creating separate departments for planning and project delivery staff.[34] This shift has not always been smooth, and conflicts have arisen between long-tenured planning staff and the newer delivery-oriented personnel. In spite of these fits and starts, over the past decade the RTC has successfully transformed from an agency oriented around transportation planning into one increasingly capable of active, technical project delivery alongside its important planning work. This shift has implications not just for projects on the SCBRL, but everywhere that the RTC is working, expanding its capacity to build transformative transportation infrastructure in Santa Cruz County.

Early Studies Were Insufficient for Making Informed Decisions

The rail transit studies commissioned by the RTC over the course of the last four decades clearly reflect the RTC's history as a planning agency. These studies were largely conceptual, providing a two-dimensional look at what could be built, without directly addressing many of the hardest physical and fiscal challenges of actually building infrastructure on the SCBRL. The RTC's plans

did not include detailed engineering, site-specific cost modeling, construction feasibility assessments, or regulatory timelines.

These early planning documents relied on 10,000-foot estimates rather than ground level engineering. They assumed passenger rail and a trail could coexist without rigorously analyzing the costs of retaining walls and bridge replacements required by the corridor's topography. The studies focused heavily on the benefits of rail but wildly underestimated the true costs. As one source noted, it might be fair to characterize the plans as relying on hope due to the lack of sufficient engineering rigor.

These incomplete studies had the effect of pushing decision making further down the line. The project continued to exist in a state of limbo, with passenger rail or other transit options constantly being studied but not meaningfully progressed. The RTC continued to allocate funding to study passenger rail, but not enough to actually move the project forward. As a result, the studies did little to analyze the hard tradeoff at the heart of a complicated engineering project, nor did they meaningfully advance environmental review or required engineering and scoping. These considerations were finally brought to the fore by the 2025 ZEPRT report, over a decade after the RTC acquired the rail corridor and more than 25 years after the 1998 MTIS identified passenger rail as the long-term goal.

The RTC's failure to perform a comprehensive analysis is illustrated by material inconsistencies in the reports produced by its consultants. In 2021, the RTC released the Transit Corridor Alternatives Analysis (TCAA), a planning-level study which identified the cost to build a passenger rail system on the SCBRL at approximately $480 million. The TCAA, produced by the engineering consulting firm HDR, based cost estimates off of previous planning-level studies like the Rail Transit Feasibility Study and the UCIS and included the caveat that "no engineering was performed to support the estimated costs."[35] Just four years later, in 2025, the same consultant worked with RTC staff to produce the more expansive and technical ZEPRT Concept Report, which calculated the cost of passenger rail at approximately $4.3 billion. This ten-fold increase highlights the failure of early studies to capture the difficult engineering realities of the SCBRL, doing a disservice to both the RTC and the general public.

In contrast, planning studies for pedestrian and bicycle infrastructure along the rail corridor took a different path. In 2013, the RTC approved the Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan, a significantly more complete (and expensive) blueprint which included its own accompanying Environmental Impact Report (EIR). Building off this work, the RTC has partnered with jurisdictions across Santa Cruz County to meaningfully advance trail progress, to the point where there is now actual publicly accessible pedestrian infrastructure along portions of the rail corridor, with more in the works.

Navigating Geographic Complexity and Infrastructure Constraints

As the scope of trail projects advanced to engineering and construction, and the ZEPRT report finally analyzed the corridors constraints, a consistent theme became clear: the SCBRL is a very difficult and expensive place to build. A significant challenge is the topography of Santa Cruz County. The SCBRL runs across the narrow coastal plain at the base of the Santa Cruz Mountains, crossing coastal terraces, river valleys, and hills.

The rail corridor varies in width, ranging from a minimum of ~30ft in Live Oak/Capitola and near some bridge abutments to over 100ft in less constrained sections of the corridor. A key early assumption seems to have been that the full width of the corridor would be available for rail and trail infrastructure, meaning there would be plenty of space for both uses on the vast majority of the SCBRL.[36]

In reality, the available width of the rail corridor on a map does not always match the physical facts on the ground. In many cases, the currently useable rail corridor is less than 10ft across, with the corridor cut into the side of a hill, elevated on a raised alignment with steep drop offs on either side, or recessed between steep embankments. In the more populated sections of the corridor, the RTC has also been forced to confront encroachment of walls and structures into the right of way.[37] Legal clearance required between rail and other uses by FRA and STB guidelines further constrict the available space.

The width of the corridor and the associated challenges are not the only difficult aspects of the rail corridor. The existing tracks feature relatively tight curves that are designed for low-speed freight transport. To safely accommodate higher speed passenger rail, many of the curves will need to be completely re-graded with banking. The SCBRL also crosses numerous large and small waterways on trestles and bridges and must navigate the environmentally sensitive slough system, which it currently traverses primarily on an earthen causeway that sometimes floods during rain events. Importantly, while many bridges on the corridor remain useable for slow moving, low volume freight rail, seismic regulations are much more stringent for either pedestrian or high frequency passenger rail. The corridor also must account for the Pacific Ocean. In Capitola, La Selva and Manresa, the tracks run close to the cliffs. Wisely, the RTC has begun studying climate resiliency along the SCBRL.[38]

As a result of these limitations, building along the SCBRL requires significant infrastructure just to create a flat surface for the rail or pedestrian pathway. One source characterized the SCBRL projects as a "retaining wall with tracks." The need for these significant earthworks can be clearly seen in the City of Santa Cruz adjacent to the Neary Lagoon sewage treatment plant, where 20ft high wooden retaining walls line the newly completed section of trail. The failure to fully account for these costs in early studies bears significant responsibility for the cost overruns that have plagued rail trail planning and construction and helps to explain some of the difference between the cost estimate in the ZEPRT report, which sought to describe the full suite of required investments, and earlier planning level studies.

Lack of Clear Goals and Political Consensus

Even before the RTC purchased the SCBRL, a wide range of uses had been considered for the corridor. In some ways, the debate over what to do with the SCBRL has evolved into a conflict about community values. The RTC has struggled to define a cohesive, unified vision for public use of the SCBRL. Competing ideas including nostalgia for excursion trains, support for active commuter rail, desire for freight preservation, or prioritization of a trail-only greenway have fostered deep divisions within the RTC and the larger community.

The RTC's political structure has frequently bred gridlock. The commission's membership consists of elected officials and Metro representatives (or their designated alternates), each with their own competing mandates and political imperatives.[39] The RTC, with its even number of commissioners, has on occasion deadlocked. These structural dynamics have delayed difficult but necessary decision making, slowing progress to actually build projects. Without clear political alignment or a strategic plan, the RTC deferred difficult decisions, leading to years of repetitive evaluation without execution.

In the absence of clear leadership from the RTC, non-profit advocates have stepped in to push for their preferred policy outcomes. The Friends of the Rail and Trail (FORT), founded in 2002, has been a consistent advocate for expanding transportation options in Santa Cruz County.[40] By rallying community support for a multimodal future on the SCBRL, FORT helped to push forward the acquisition of the rail corridor.[41]

FORT's community advocacy reflected a widely held community desire to have the best of both worlds: a worldclass bicycle and pedestrian trail alongside a functioning passenger rail system. This vision, along with commitments made to the California Transportation Commission (CTC) to initiate recreational rail and maintain freight service, was highly influential. In particular, it led directly to the design for rail and trail proposed along the rail corridor. To ensure both uses could coexist, the trail would need to be built alongside the railbed, sharing space within the corridor. This concept, known as the "Ultimate Trail" because it reflected the ultimate goal of fully integrating both rail and trail, is reflected in a wide range of studies, including the MBSST and the ZEPRT concept report.

On the other side, groups such as Greenway and Trail Now have questioned the feasibility of mass transit on the SCBRL,[42] pushing instead for a trail-only configuration. These groups support an "Interim Trail" alignment that would place trail on top of the railbed, not adjacent to it, ostensibly on an interim basis. Some argued that rail would never be possible due to the cost of accommodating both rail and trail in the corridor. Central to this argument was the concept of railbanking, a legal mechanism under federal law designed to preserve public ownership of a rail right-of-way after the track is no longer in use for rail purposes.

On the SCBRL, railbanking to build the interim trail has advantages and tradeoffs, as well as deeply committed advocates on both sides of the issue. Supporters of railbanking emphasize the goal of building more trail more quickly, with less complexity and at lower cost. Significant portions of the line's rail infrastructure will need to be replaced to build a passenger rail system, reducing the value of preserving the existing rails. Railbanking also provides for the option to restore rail service, which proponents point to as a mechanism by which a passenger rail system could still be built. Opponents of railbanking point out that once rail infrastructure is removed and the railbed is converted to trail use, restoring rail service becomes unlikely in practice, regardless of whether the legal pathway to do so remains. After spending millions of dollars on an "interim" trail, the cost to remove the trail at a later date would represent a waste of time and resources.

Debates between supporters of these conflicting visions for the rail corridor have often grown rancorous. These divisions spilled over to the voting booth, culminating with the fight over 2022's Measure D.[43] The ballot measure proposed to remove passenger rail from the County's general plan and prioritize a pedestrian path on the rail corridor. The non-binding measure was initiated by Greenway with the goal of pushing the RTC to pursue railbanking of the corridor and remove reference to passenger rail from the County of Santa Cruz's general plan. Supporters framed the initiative as a practical solution to accelerate trail development and provide near-term public benefit while railbanking preserved the possibility of future passenger rail.

Opponents mounted a fierce and effective counter-campaign. They described the ballot measure as an existential threat to pull up the tracks and permanently foreclose the possibility of future passenger rail service. In June 2022, voters overwhelmingly rejected the initiative by a 73.2% to 26.8% margin. This clear electoral signal appears to have strengthened the RTC's resolve to move forward with the passenger rail project. The RTC subsequently voted to initiate the $9.2 million ZEPRT study. Rail supporters and skeptics voiced approval for this more rigorous study.[44] The RTC and the public would finally receive passenger rail cost estimates grounded in a rigorous analysis.

Incomplete Cost Estimates – Case Studies

Two specific recent examples from the rail corridor provide insight into the consequences of failing to adequately plan around the real constraints of the rail corridor.

Prior to the more rigorous engineering data provided by the ZEPRT report, the RTC's decisions and the public discourse about the future of the rail corridor were based on three earlier planning studies that estimated capital costs for passenger rail at less than $480 million. Based on these studies, RTC staff presented a draft passenger rail business plan in 2021 which showed that roughly half of the projected capital and ongoing operations budgets lacked identified funding. The business plan failed on a 6-6 vote, in part, because commissioners questioned the financial feasibility of passenger rail.[45] Still, after the defeat of Measure D in 2022, the RTC moved forward with rail planning, commissioning the ZEPRT report. In 2025, the $4.3 billion price tag for passenger rail shocked the public and commissioners alike, showing that cost estimates in earlier feasibility studies were profoundly flawed.

Around the same time, in 2022, the RTC secured two highly competitive grants, totaling $115.8 million, through the CTC's Active Transportation Program (ATP) to construct four segments of trail on the rail corridor. This was the largest grant ever in the program's history, promising 6.5 miles of new trail between the Santa Cruz Beach Boardwalk and Seacliff State Beach (trail Segments 8-11). As formal engineering work advanced, the technical complexity of building a trail next to the rail on this constrained section of corridor shattered original estimates. The project was further setback by the rapid rise in construction costs starting in 2021.[46] As a result, the RTC and its partners faced a $72 million funding shortfall and an early 2026 design deadline that threatened to sap local transportation resources and severely damage the RTC's credibility with State and federal funding partners.

These two examples have provided a harsh reality check on the RTC's ambitions for the SCBRL, prompting a substantial shift in the discourse. With firmer cost estimates in hand and a looming deadline to avoid losing millions of dollars in State grants, the RTC has refocused to emphasize concrete steps that preserve already allocated funding. In December 2025, the RTC narrowly approved a so called "peace plan" to pivot to an Interim Trail configuration for Segments 9-11 through mid-county.[47] By cutting the estimated construction costs roughly in half, the RTC should be able to move forward with the existing grant funding.

To facilitate this shift, the RTC has initiated the process to officially take large sections of the SCBRL out of service by instituting a discontinuance of service on the rail line north of Watsonville. Though it avoids the politically toxic language of abandonment and railbanking, the discontinuance effectively achieves many of the same goals, allowing for removal of the track where necessary to build the interim trail. The RTC must navigate a narrow path, pursuing short-term trail progress without compromising its long-term commitment to passenger rail under a different funding environment.

Trail Segments 13–20: The Next Test

The cost overruns on Segments 8–11 described in the previous section demonstrate the risks of advancing major corridor decisions before obtaining sufficiently detailed engineering, cost, and feasibility information. Segments 13–20 present an opportunity to apply those lessons before the County commits to its next major phase of Corridor development.

While substantial public attention and investment have focused on other portions of the Corridor, many South County residents continue to wait for meaningful transportation and recreational improvements. At the same time, Segments 13–20 present some of the Corridor's most complex challenges where accommodating both rail and trail may be particularly difficult or costly. The assumptions that guided earlier planning efforts should not be accepted automatically without reexamination.

The Ultimate Trail approach could arguably maintain maximum flexibility for future rail service. However, it may also require substantially greater capital investments and longer implementation timelines before the public receives usable trail benefits. An Interim Trail approach could potentially deliver public benefits sooner and at lower cost while preserving future passenger rail options. In any case, the RTC doesn't have to choose yet. The RTC is actively evaluating RFPs for initial design and environmental review of Segments 13-20 and can incorporate both alignments into these conceptualizations.[48] This parallel scoping was crucial for the resolution of the Segments 8-11 funding crisis and should be prioritized moving forward.

Before advancing major investments, the RTC should evaluate both the Ultimate Trail and Interim Trail alternatives, supported by engineering-level analysis and realistic cost estimates.

Capital Project Advancement Framework

A common theme throughout this report is that major capital project decisions relating to the SCBRL were often made before critical information was known and before the reliability of available information was fully understood. On more than one occasion, public debate and policy decisions moved forward without knowing the true physical condition and engineering challenges of the corridor and the true cost of the project being planned.

To reduce this risk going forward, the Grand Jury recommends that the RTC adopt a formal project advancement framework that would apply to all major capital projects. Such a framework would clearly identify key implementation milestones for each project, the information required before advancing to the next stage of the project (including cost estimates and timelines) and the level of confidence that the project sponsor has in that information. While the RTC already implements various forms of project advancement protocols, this appears to vary by project. The Grand Jury believes that the RTC would benefit from having a consistent project advancement framework that applies to all major capital projects.

Had such a framework existed a decade ago, decision makers and the public would likely have had a clearer understanding of the level of uncertainty associated with early passenger rail cost estimates.

Transportation agencies in California commonly use formal project development protocols. The Caltrans Project Development Procedures Manual is a good example.[49] It requires identification of project phases, required information at each phase, approval milestones, and cost-estimating requirements. The Grand Jury is not suggesting that the RTC needs a framework as extensive as that of Caltrans but only that other agencies and their stakeholders are benefitting from having a consistent approach for "gating" projects at clearly identified milestones.

The Grant Funding Cycle Dilemma

The clear pattern of underestimating project costs on the SCBRL is not entirely a result of the local decision-making process. In reality, the RTC is vulnerable to the structure of the public sector grant funding model for financing large capital projects. The RTC, like many public agencies, faces a difficult choice: allocate scarce local discretionary funds to perform pre-engineering and rigorous project scoping or wrap the costs of design and engineering into larger grant applications, thereby increasing the amount of such funds available to serve as local "match". Some incentives also exist to minimize cost projections and presenting aspirational benefits when applying for funding in order to remain competitive on grant applications. When grants are awarded before engineering has been fully scoped, the likelihood of cost overruns increases. Even if early estimates are accurate, long construction timelines coupled with inflation can erode previous budgets. By the time realistic cost estimates are produced, opportunities for additional funding to fill the gap are not available, requiring wholesale changes to project parameters.

These dilemmas are on full display along the rail corridor, where the RTC must leverage limited Measure D funding to accomplish a range of goals. Failing to fully evaluate engineering costs puts the RTC at risk for funding shortfalls, incomplete projects, and compromised relationships with funding partners. On the other hand, not being bold enough risks foregoing potentially transformative grant opportunities. Substantial cost overruns have affected several rail-corridor projects. On segment 5 of the Coastal Rail Trail, costs are well above the original estimate due to environmental and right-of-way complications. Segment 7 between Bay Street and the Wharf also required millions in additional funding after storms, groundwater problems, and unexpected utility issues forced changes and delays. The estimated cost to construct Segments 8–11, running from Santa Cruz to Aptos, increased by roughly $72 million because of inflation and added design requirements. These repeated overruns highlight the need for a project delivery approach that identifies issues earlier, clarifies scope before construction, and helps keep costs from escalating mid-project.

Progressive Design-Build (PDB) and Construction Manager General Contractor (CMGC) approaches offer an opportunity to change the risk profile of large and complex projects by changing the relationship between agencies like the RTC that fund infrastructure investments and the contractors that actually build them.[50,51] The traditional design-bid-build sequence separates the process of design and construction, with the contractors who build infrastructure only bidding on the project after design is completed. As a result, when the construction contractor encounters problems, they have to make changes to someone else's design work, increasing cost. With PDB and CMGC contracting structures, the contractor who will be building the project is directly involved with design. This earlier partnership is important to help uncover cost drivers and understand risks, resulting in clearer expectations and better alignment between design choices and available funding. In this framework, the process for bidding also emphasizes the qualifications of the contractor, not just the lowest bid, hopefully resulting in stronger partners and more accurate cost estimates. PDB and CMGC approaches differ somewhat on exactly what role of the contractor (i.e. directly producing the design work vs. working in an advisory capacity)[52] and require careful, project specific consideration, but both are important and innovative tools for the RTC to consider.

When done right, PDB and CMGC procurement processes improve coordination between agencies and builders, accelerating project timelines without compromising quality. Because project scope and construction costs are developed through a collaborative design process, there are fewer surprises and better communication. Opportunities also exist for more efficient

project delivery through phased implementation or overlapping timelines for design efforts, preconstruction work, and site-specific preparations. These techniques also shift the risk profile by placing more responsibility onto the contractor for cost overruns that arise after construction has begun, either through a firm fixed contract price or a negotiated Guaranteed Maximum Price (GMP).

These innovative tools have the potential to transform the way the RTC builds projects, but they also require careful consideration and safeguards to align with best practices and get good value for taxpayers and funding partners. The RTC should build on the 2021 business plan, which identified alternative contracting options,[53] to develop procedures and institutional capacity to effectively manage PDB or CMGC systems before starting such projects, and ensure clear checkpoints, effective oversite, and rigorous cost reviews, including the use of independent cost estimators (ICE) to verify expenditures. The RTC should partner with Caltrans, which has developed its own CMGC manual, and seek out other opportunities for process improvements.[54] In doing so, the RTC can better manage projects in the rail corridor and across its portfolio, avoiding cost overruns and reducing risk along the way.

The Need for a Strategic Plan

The Grand Jury found no evidence that the RTC operates under a comprehensive strategic planning framework that establishes organizational priorities and provides guidance for resolving conflicts among competing transportation objectives. Many of the most difficult decisions discussed in this report required the RTC to balance and repeatedly debate competing goals, including, for example, preserving future rail options and providing near-term public benefits. An overarching strategic plan could have reduced the frequency and intensity of these conflicts by establishing an agreed upon set of priorities.

While the RTC has adopted long-range planning documents, including the State-mandated 2050 Regional Transportation Plan (RTP), those documents primarily identify transportation projects, funding assumptions, and transportation needs.[55] They do not establish a clear hierarchy of organizational priorities or provide a framework for evaluating competing objectives when difficult policy decisions arise.

A comprehensive strategic plan would not necessarily eliminate disagreement. However, it would provide the public, RTC commissioners, RTC staff, local jurisdictions and funding partners with a common, agreed upon basis for evaluating projects and tradeoffs. It could also help reduce some of the governance challenges inherent in the RTC's organizational structure and potentially enable more effective and timely decision making.

The Grand Jury believes that development of such a plan should be a collaborative effort involving the public, RTC staff, commissioners, funding partners and local jurisdictions. Broad community participation would help ensure that the resulting plan reflects Countywide transportation priorities and fosters public support.

CONCLUSIONS

The Civil Grand Jury concludes that the protracted delays surrounding the Santa Cruz Branch Rail Line stem from a fundamental failure to anchor long-term strategy in engineering and financial reality. The RTC has successfully transformed itself from a purely planning-focused body into an agency capable of impressive grant acquisition and project delivery. However, for over a decade, a politically deadlocked Commission utilized the public sector's grant-dependent funding cycle to commission aspirational, two-dimensional studies rather than confronting the corridor's severe geographic, legal, financial and structural limitations. To avoid further stagnation and the loss of critical infrastructure funding, the RTC must institutionalize rigorous cost-estimation and engineering protocols when making generational infrastructure decisions.

FINDINGS

F1: The physical condition of the infrastructure on the Santa Cruz Branch Rail Line, including embankments and bridges dating to the 1870s, has degraded over time. As a result, any efforts to utilize the rail corridor face high costs for restoring and replacing degraded infrastructure. R1, R2

F2: The RTC's history and culture are that of a planning agency. As a result, the Santa Cruz County Regional Transportation Commission has performed a long series of planning studies that have focused on the potential uses of the rail corridor, with less focus directed towards managing the realities of the physical corridor and its associated infrastructure. R1, R2

F3: Early studies commissioned by the Santa Cruz County Regional Transportation Commission failed to accurately estimate the actual cost to build out passenger rail infrastructure along the rail corridor. As a result, significant decisions were made without a complete understanding of the cost to complete a passenger rail system. R1, R2

F4. The Santa Cruz County Regional Transportation Commission (RTC) lacks sufficient financial resources to accomplish all its transportation priorities and is typically reliant on grant funding to support its projects. As a result, the RTC must efficiently manage project sequencing and contracting and be strategic about how it uses local transportation funding. R1, R2, R3

F5: The Santa Cruz County Regional Transportation Commission (RTC) lacks a unified strategic plan that lays out the commission's vision for delivering capital projects and allocating limited local and grant funds. As a result, the RTC lacks a true north that it can refer back to when making these difficult decisions. R3

F6: The Santa Cruz County Regional Transportation Commission (RTC) and the larger community in Santa Cruz County have had many ideas for how to use the rail corridor, but no overarching vision. As a result, the RTC has been gripped by political paralysis, swinging back and forth as its political makeup has changed, rather than remaining directly focused on implementing a specific aspect of the project. R3

F7. The Santa Cruz Branch Rail Line traverses a narrow and geographically constrained route between Davenport and Pajaro Junction. As a result, there is limited space for construction of both rail and pedestrian infrastructure in the corridor and the cost to construct this infrastructure is elevated relative to otherwise comparable projects. R4

F8: The Santa Cruz County Regional Transportation Commission (RTC) purchased the rail corridor with Proposition116 funds allocated by the California Transportation (CTC), which was initially skeptical of the RTC efforts to acquire the rail corridor and required additional documentation and assurances. As a result, the RTC agreed to plan for and work to implement rail along the SCBRL or return $11 million in Prop 116 funding used to purchase the corridor. R4

F9. The Santa Cruz County Regional Transportation Commission (RTC) has operated under the assumption that the Santa Cruz Branch Rail Line would eventually host both passenger rail and coastal rail trail infrastructure. As a result, the RTC has prioritized building trail segments in an "ultimate" configuration (trail next to rail) to reduce long-term costs associated with relocating the trail infrastructure to accommodate passenger rail instead of an "interim" alignment (trail over rail) that is less expensive in the short term. R4

F10. Inflation and unanticipated engineering requirements have dramatically increased cost estimates associated with building the "ultimate" configuration (trail next to rail). As a result, the Santa Cruz County Regional Transportation Commission (RTC) has been forced to shift its focus to an "interim" alignment (trail over rail) for some segments to preserve grant funding that has already been allocated. R4

F11. The Zero Emissions Passenger Rail and Trail (ZEPRT) Concept Report, which marks the first study of passenger rail on the Santa Cruz Branch Rail Line to incorporate significant engineering rigor into its analysis, found the cost to build a passenger rail system of $4.3 billion to be an order of magnitude higher than previous estimates. As a result, the Santa Cruz County Regional Transportation Commission (RTC) and the larger community have been forced to re-evaluate the current feasibility of building a passenger rail system in Santa Cruz County. R5

F12. The Santa Cruz County Regional Transportation Commission (RTC) does not have direct experience building rail infrastructure. As a result, the RTC worked with outside rail transportation professionals to perform a peer-review on the Zero Emissions Passenger Rail and Trail (ZEPRT) Concept Report to provide subject matter expertise and advice. R5

F13: The property ownership experience and project capacity of the Santa Cruz County Regional Transportation Commission (RTC) staff at the time the RTC acquired the Santa Cruz Branch Rail Line did not align with the requirements to maintain and build infrastructure on the rail corridor. As a result, the RTC relied on consultants and studies with insufficient engineering scope as it worked to develop expertise, manage its obligations and plan for next steps. R6

F14: The Santa Cruz County Regional Transportation Commission (RTC) staff model has historically reflected its role as a planning agency rather than a project delivery organization. As a result, the RTC's staff capacity was not aligned to its mandate to build infrastructure on the rail corridor. R6

F15. The Santa Cruz County Regional Transportation Commission (RTC) has historically failed to effectively communicate to the public complete and accurate information regarding the financial, engineering and legal challenges associated with building infrastructure on the Santa Cruz Branch Rail Line, including during the 2022 Measure D election campaign. As a result, competing advocacy groups have produced misleading information, and the public has lacked a source for timely, objective, and authoritative information. R7

F16. The twelve-member board of the Santa Cruz County Regional Transportation Commission has an even number of commissioners. As a result, the board is vulnerable to tied votes and deadlock, delaying proactive governance. R8

F17. The twelve-member board of the Santa Cruz County Regional Transportation Commission draws its membership from a wide range of jurisdictions and the Santa Cruz Metropolitan Transportation District, as well as their alternates, often with competing agendas. As a result, it is difficult to achieve consensus, build institutional knowledge, and make timely progress to utilize the rail corridor. R8

RECOMMENDATIONS

R1. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) develop a Capital Project Advancement Framework for future major capital projects. The framework should define the information required before projects advance through major policy, funding, and implementation milestones and should require that cost estimates, schedule projections, contingencies and other key assumptions be accompanied by a clear assessment of their level of confidence and uncertainty. The RTC should direct staff to initiate development of such a framework no later than December 31, 2026, and present to the Commission no later than December 31, 2027.

R2. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) investigate opportunities to utilize a Progressive Design-Build and/or Construction Manager/General Contractor contracting approach for major capital projects. The RTC should direct staff to investigate opportunities to use such a process no later than December 31, 2026, and present to the Commission no later than December 31, 2027.

R3. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) direct staff to create and adopt a comprehensive strategic planning framework that establishes clear organizational priorities, decision-making criteria for evaluating major transportation investments, transportation assets, and policy decisions and guidance for resolving conflicts among competing transportation objectives. The RTC should direct staff to begin creating this strategic plan no later than December 31, 2026, and review and adopt the strategic plan by December 31, 2027.

R4. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) evaluate options for phased implementation of projects along the Santa Cruz Branch Rail Line, including trail segments 13-20. This framework would investigate "interim", "hybrid", and "ultimate" trail configurations and apply these options to future design work, environmental review, and engineering. The RTC board should direct staff to incorporate these multiple options into planning and environmental documents no later than December 31, 2026.

R5. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) follow best practices for complicated rail and trail projects by directing staff to follow the recommendations of the Zero Emission Passenger Rail and Trail Project peer review and continue to take advantage of opportunities to work with peer organizations. The RTC should commit to following these recommendations no later than December 31, 2026.

R6. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) direct the Executive Director to periodically review and reassess the organization's structure to ensure that staffing reflects the combination of transportation planning and project implementation that currently represents the RTC portfolio. The RTC should do so no later than December 31, 2026, and every 3 years subsequently.

R7. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) direct staff to develop a plan to strengthen public communication and ensure timely and accurate dissemination of information about RTC projects, with the goal of improving public understanding and reducing misinformation. The RTC should initiate this process no later than December 31, 2026.

R8. The Grand Jury recommends that the Santa Cruz County Regional Transportation Commission (RTC) investigate options to change the makeup of the RTC board of commissioners. By ensuring an odd number of commissioners and reducing the total number of commissioners on the board, the RTC can better avoid deadlocks and delays. Changing the makeup of the board would require an act of the State Legislature. The RTC board should direct staff to begin assessing options and next steps no later than December 31, 2026.

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