

Capitola City Council

Agenda Report



Meeting: April 17, 2025

From: Public Works Department

Subject: Park Avenue Alignment of the Coastal Rail Trail (Segments 10 & 11)

Recommended Action: Discuss and provide direction to staff regarding the Park Avenue alignment for the Coastal Rail Trail Segments 10 and 11.

Background: The Coastal Rail Trail project is a regional initiative led by the County of Santa Cruz in partnership with the Regional Transportation Commission (RTC), with participation from the City of Capitola and other local jurisdictions. Segments 10 and 11 of the trail is planned to span approximately 4.5 miles from 17th Avenue in Live Oak to State Park Drive in Aptos, serving pedestrians and cyclists through a Class I multi-use pathway. The portion of the project within Capitola presents several unique design challenges due to geography, rail corridor limitations, and community priorities.

The project is supported by a combination of state and federal funding sources, including a \$67.6 million Active Transportation Program (ATP) grant awarded by the California Transportation Commission (CTC), \$8.5 million in federal RAISE grant funding, and additional RTC Measure D funding. Together, these represent the largest potential investment in active transportation infrastructure in Santa Cruz County history.

On February 13, 2025, the City Council considered the proposed Park Avenue alignment and directed staff to organize a town hall meeting to further engage the public and gather additional input. That town hall took place on April 2, 2025 at New Brighton Middle School and included presentations from City staff, RTC, and County representatives. The event was well attended and informed by substantial public input collected in advance, including more than 400 questions submitted by over 170 community members. The meeting addressed a range of concerns, including safety, funding, project scope, environmental impacts, and the potential use of the Capitola Trestle.

Discussion: The County of Santa Cruz has indicated it must request construction funding for the Coastal Rail Trail Segments 10 and 11 by April 2027 in order to retain the awarded ATP grant. Although this deadline is two years away, completing the final design, permitting, utility coordination, and right-of-way agreements will require that entire period. County staff advises that, until the City confirms its preferred alignment through Capitola, the County is unable to finalize the design scope with its consultants or begin the next phase of work.

Two alignment options for the Park Avenue segment were developed. Both would construct a new 12-foot-wide multi-use trail along the coastal side of Park Avenue, separated from vehicle traffic by a minimum five-foot buffer and supported by pedestrian enhancements such as new crosswalks, signalized crossings, and lighting. Option A preserves the existing Class II bicycle lane on the inland side of Park Avenue, offering a dedicated space for on-street cyclists heading toward Capitola Village. Option B eliminates the inland bike lane in order to reduce construction costs and minimize tree removals.

Either alignment would require the construction of a new ADA accessible pedestrian rail crossing at Coronado Street in order to connect the Park Avenue trail segment to the coastal-side alignment that continues through New Brighton State Beach to State Park Drive. This crossing must be approved by the California Public Utilities Commission (CPUC). Preliminary discussions with CPUC staff have been positive and the County is optimistic the crossing will be approved, but final approval has not yet been granted.

The County indicates the Park Avenue alignment has been designed to minimize impacts to existing trees, including those that serve as a windbreak near the Escalona Gulch monarch butterfly habitat. The previously-approved "coastal alignment" would have required the removal of 141 trees between Monterey

Avenue and Coronado Street. Option B of the Park Avenue alignment reduces that number to 94 trees, while Option A would require removal of approximately 122. Both alternatives would result in fewer total tree removals than the coastal alignment, although Option A may require more removals along the Monterey to Grove Lane segment. The project team is coordinating with environmental specialists to evaluate potential impacts to the monarch habitat and to identify opportunities for habitat enhancement and mitigation.

If the City approves either the Option A or B Park Avenue alignment, additional environmental review will be required to assess any new impacts. This review will either take the form of an addendum to the previously certified Environmental Impact Report (EIR) or, if the impacts are significant enough, a supplemental EIR. That document will be brought back to the City Council for acceptance before project construction can proceed.

The Park Avenue alignment accomplishes most of the traffic calming goals expressed by community members in past outreach efforts. Elements such as narrower travel lanes, new signage, improved lighting, and safe pedestrian crossings were identified as priorities. If the trail improvements are approved, staff recommends deferring the City's separate traffic calming project on Park Avenue, since many of the desired improvements would be constructed as part of the Rail Trail project using outside funds.

If the Council wishes to move forward with the Park Avenue alignment, Staff recommends the City Council approve Option A due to its preservation of inland bicycle infrastructure and consistency with local transportation goals.

Future Use of the Capitola Trestle, Railbanking, and Adverse Abandonment

Regardless of the Park Avenue alignment, the City is interested in the potential long-term use of the Capitola Trestle as part of the Coastal Rail Trail. A future conversion of the rail bridge for trail use would require significant coordination, regulatory action, and funding and is not currently part of the funded Segment 10 and 11 project.

The Capitola Trestle spans Soquel Creek and includes five distinct bridge segments of varying construction types. Due to the structural characteristics of the bridge—including a wrought iron span and timber trestles—a cantilevered pedestrian or bicycle path (such as used on the San Lorenzo River bridge) is not feasible. There is also limited space within the rail right-of-way to build a new standalone pedestrian bridge adjacent to the trestle.

However, according to the 2021 Capitola Railroad Bridge Repurposing Conceptual Study, the existing trestle could be repurposed as a bicycle and pedestrian bridge if substantial structural repairs are made. These would include replacing the wrought iron bearings, all timber bracing, and approximately 30–40% of the timber piles. Following those repairs, the rails and ballast could be removed and replaced with a new deck suitable for pedestrian and bicycle use. The study estimated this work would cost approximately \$7 million (in 2021 dollars).

Any repurposing of the Capitola Trestle for trail use would require the rail corridor be railbanked through the federal Surface Transportation Board (STB). Railbanking is a formal process by which the owner of a railway and a non-owner (often another public agency) enter into a written agreement in which the non-owner assumes maintenance responsibilities of the former railway and agrees to operate it as a trail or park, while the rail operator maintains ownership of the railway and may choose at a future date to resume railway operations. The agreement must be approved by the STB. While railbanking is legally distinct from full abandonment, it removes the freight service obligation and allows the corridor to be temporarily repurposed.

“Abandonment” refers to decommissioning a railway, meaning the railway can no longer be used for future rail service. A railway may have been unused for many years, but it is not “abandoned” until abandonment proceedings are complete. Typically, abandonment proceedings are initiated by the owner of the railway to be abandoned. “Adverse abandonment” is the process by which a third party, who does not own the railway, initiates abandonment.

A key difference between adverse abandonment and railbanking is that, if the STB approves adverse abandonment, the railway cannot be used for rail service in the future whereas, with railbanking, the railway owner may reactivate the railway in the future.

To initiate the adverse abandonment process, the City would request the STB allow the owner to abandon the railway via a written application. Members of the public and other interested parties would be given 45 days to submit comments on the application. Within 15 days after public comments are due, the applicant must reply to any opposition comments. If there are no requests for extensions or other delays, the STB issues a decision within 110 days of the date the application was submitted. If abandonment applications are opposed, including by the owner of the railway, the process can take longer.

Along with an application the City would need to file an Environmental Report. This report is specific to the abandonment process and is substantively different from either a NEPA or CEQA environmental analysis report. The filing fee for an abandonment application is \$32,600; however, if the rail line has been unused for two or more years, the fee is reduced to \$5,200.

Since railbanking requires a negotiated agreement, the timeline and cost depend on the negotiations between the parties, as well as the time required by the STB to review and rule on the application.

In addition to regulatory steps, an interim trail over the Capitola Trestle would require design, environmental clearance, permitting, and new funding. The current Segment 10 and 11 project does not currently include funding for a bridge crossing at the trestle or structural upgrades to enable such use. However, the project's environmental documents do consider both the "Ultimate Trail" and an "Interim Trail" configuration, which allows for environmental clearance of a future trail over the rail line—including the trestle—if conditions allow.

If the Council wishes to explore railbanking or adverse abandonment, staff recommends that Council direct staff to retain rail counsel to advise the City on preparing an adverse abandonment application or pursuing railbanking.

Reverting to the Coastal Bluff Alignment

Should the Park Avenue alignment not be approved, it is Staff's understanding the County of Santa Cruz would likely pursue funding for the previously studied coastal bluff alignment.

The coastal alignment poses engineering and construction challenges that significantly increase project cost. This route would require bluff stabilization, more extensive retaining structures, impacts to private encroachments, and erosion control measures, complicating both design and permitting. It also provides fewer connections to adjacent neighborhoods, reducing local access.

Initially, the County explored whether eliminating the 0.7-mile trail segment through Capitola entirely might avoid these complications. However, Caltrans staff advised that CTC would not support the removal of this portion of the trail. Eliminating the segment would introduce a significant gap in the trail network and reduce project benefits, which could trigger a reduction—or full revocation—of the ATP grant. As a result, if the Park Avenue alignment is not approved, the County would need to request RTC support to proceed with the coastal alignment despite its drawbacks.

From the RTC's perspective, reverting to the coastal alignment doesn't take advantage of the value engineering strategies the Commission approved in April 2024 to fund Segments 10 and 11. These strategies included realigning portions of the trail, such as the segment in Capitola, to reduce costs and improve feasibility. Pursuing the coastal route would likely require new approval from the Commission. It also raises potential compatibility issues with future passenger rail service.

Caltrans has also indicated that omitting the Capitola segment entirely—such as by skipping the 0.7-mile gap between Monterey Avenue and Coronado Street—is not a viable option, as it would reduce project continuity and jeopardize grant eligibility. If neither alignment is approved, the \$67.6 million ATP grant could be subject to revocation by the CTC, and the County may be unable to deliver the trail segment within the grant deadline.

Fiscal Impact: There is no immediate cost to the City associated with approving the Park Avenue alignment or moving forward with additional environmental review. Construction of the trail, including bicycle and pedestrian improvements along Park Avenue, will be funded by state and federal grants administered by the County and RTC. These improvements have an estimated value between \$3 and \$5 million and would otherwise likely be infeasible for the City to implement on its own.

The City's only potential future obligation would relate to trail maintenance. Ongoing maintenance costs for similar trail segments range between \$32,000 and \$44,000 per mile annually. Based on preliminary discussions and precedent agreements in other jurisdictions, Capitola's share of this cost may range from \$16,000 to \$22,000 annually. Final terms would be subject to negotiation with the RTC.

The City has already allocated \$100,000 in its FY 2024–25 Capital Improvement Plan for a Park Avenue Traffic Calming Project. To date, \$19,500 has been spent. If the Rail Trail project is approved, staff recommends the remaining \$80,500 be redirected to other street priorities or returned to the General Fund.

California Environmental Quality Act (CEQA): The Final EIR for the Coastal Rail Trail Segments 10 and 11 was certified by the County of Santa Cruz on March 26, 2024. Any modification to the trail alignment, including the Park Avenue segment, will require additional environmental analysis. Once that analysis is completed, staff will return to the City Council with the updated environmental documentation for formal acceptance.

Attachments:

1. February 13, 2025 Park Avenue Traffic Calming Improvements with Coastal Rail Trail Options Staff Report and Attachments (Item 9c):
<https://meetings.municode.com/adaHtmlDocument/index?cc=CAPITOLACA&me=22dcaa307be5437dbb1328e7ace00934&ip=True>
2. April 2, 2025 Town Hall Informational Materials:
<https://www.cityofcapitola.org/community/page/town-hall-informational-materials>
3. Correspondence Received as of Agenda Packet Publication, April 11 at 3 PM:
<https://www.dropbox.com/scl/fo/ib6a8jgms0zti4tbs2tsv/AEt3wxo0UZkQtYhUkP6su8k?rlkey=fok6ehue87m7cxme1bayeqp2j&e=1&st=p36sejhv&dl=0>

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