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Board Executive Assistant

May 17, 2021

Dr. Jeffrey V. Smith
County Executive Officer
70 West Hedding Street
San Jose, CA 95110

Re: Funding for Relocation of Historical Railroad Assets

Dear Dr. Smith,

Overview

Funding of \$930,050 is sought for the relocation of historical railroad assets from the county fairgrounds and the town of Coyote. The fairground assets would be relocated to the Niles Canyon Railway in Alameda County, an operating tourist railroad. The historic Coyote Depot in Coyote Valley would be moved to History Park and incorporated into onsite public programming. The result of this action will be the removal of all railroad assets off the fairgrounds property in a two-to-three year period and the relinquishing of 5 acres of land designated for future museum use.

Background

In 1958, the Southern Pacific Railroad donated a large steam locomotive to Santa Clara County for display at the County fairgrounds. For the benefit of our community, the California Trolley and Railroad Corporation began the task of restoring the locomotive with plans to establish a railroad museum that would house the engine at the northwest corner of the fairgrounds. This particular location was selected due to an active rail line directly across Old Tully Road, which would enable the restored locomotive to periodically leave the fairgrounds for excursions and special events.

The Southern Pacific donated its former San Jose roundhouse facility to Santa Clara County in 1994. The donation included the large brick structure used to house locomotives, a turntable utilized to rotate railroad equipment, and a water tower. The scope of the railroad museum was expanded to include these historic elements. With the support of various agencies, the organization successfully applied and received a \$1 million federal ISTE A grant toward the reconstruction of the roundhouse facility at the fairgrounds site. With an identified location, funding available for reconstruction, and volunteer commitments from regional contractors, the roundhouse facility was deconstructed and relocated on pallets at the fairgrounds.

County staff requested performance bonds from the pro-bono contractors, leading these entities to withdraw their commitments to the project. In June 2002, the Board of Supervisors rescinded the railroad museum's use of the fairground property, instructing staff to work with CTCRC to identify another county-owned parcel that could accommodate the project. A key criterion of a new 5-acre location would be the needed access to an active rail line. After a year of work, staff determined that no county-owned parcel would be feasible for a railroad museum. Sadly, the railroad right-of-way north of Old Tully Road was sold and developed, effectively land-locking the steam locomotive from

the rail network, thereby hobbling the ongoing need for development of a museum site. To facilitate other use of the former proposed fairgrounds railroad museum site, all railroad assets were consolidated for storage on the current 1.3 acre location.

Over the years, anticipating a museum facility at the fairgrounds, CTCRC acquired additional railroad equipment and heavy tooling needed for the restoration work. These items were relocated to the fairgrounds site by truck. With ongoing support from our County, the organization successfully received Historical Heritage Commission grants toward the restoration of the steam locomotive. This HHC funding was spent on specialized services that were beyond the in-house capabilities of CTCRC's volunteers.

Without an identified County-owned location, CTCRC began a search for another site with the goal of keeping the locomotive and roundhouse within Santa Clara County. Nearly a dozen sites from Gilroy to Milpitas were explored with the criterion of five acres adjacent to an active railroad line. All these sites were eventually determined to be infeasible due to planned development, the abandonment of rail lines and/or an uninterested property owner. As of 2021, the effort to find a local railroad museum site has been exhausted.

In alignment with our County's commitment to the railroad museum idea, and in conjunction with a revitalization of the facility, recent discussions with fair management have led to designation of five acres within the property toward establishment of a railroad museum. Initially attractive, a fairground museum would be flawed without direct access to an active rail line, which would allow for equipment movement creating a needed dynamic atmosphere for visitors. A slow speed demonstration rail line around the fair property could be constructed; however, this would be an inappropriate use of a large steam locomotive built for high-speed passenger train service.

Organizational fundraising and volunteer recruitment have been hampered without an identified museum location. While the locomotive restoration continues, the effort has been slowed dramatically due to the prolonged duration of the project and the loss of key volunteers due to interest, relocation or sadly, passing.

Why the Niles Canyon Railway?

Located in Alameda County, the Niles Canyon Railway operates a popular tourist attraction between Niles and Sunol with eventual plans to expand into Pleasanton, creating a 15-mile line. Operated by the 60-year old non-profit organization, the Pacific Locomotive Association, the railroad rosters a broad assortment of historic equipment. The right-of-way is leased from Alameda County. Their long-range goal is to establish a roundhouse museum in Niles, featuring a turntable and water tower, very similar to the components currently stored at the Santa Clara County fairgrounds. A partnership between the two counties could provide a regional approach to the history of the southern Bay Area, and the effects of railroading in the growth of the South Bay.

Since February, leadership representatives of both CTCRC and PLA have met regularly to discuss a potential collaborative move of the historical assets. There is mutual agreement that such an outcome would be the best long-term outlook for the items. Unfortunately, neither organization has the available resources to move forward.

The Historic Coyote Depot move to History Park

Hidden from public view, the Coyote Depot was built in 1869, before the completion of the transcontinental railroad. Although expanded over its lifetime and abandoned

over the past several years, the structure retains its nineteenth century architectural features. At risk of vandalism or fire, it's current owner would like it removed from the property. Unlike the roundhouse facility, the Coyote Depot is compact and conducive to the historic structures at History Park, including the Coyote Post Office. A site has been identified for the depot, adjacent to an existing static steam locomotive, and the historic OSH boxcar display alongside Senter Road. The depot would complete a narrative at the History Park. Smaller artifacts and displays would be exhibited inside the depot to facilitate storytelling regarding the historic relationship between railroads and our community.

The Benefits for Santa Clara County

- This relocation provides a long-term home for these county-owned historical assets.
- Niles Canyon Railway is an appropriate operational location for the large steam locomotive.
- The landmarked roundhouse is rebuilt for the public's enjoyment for future generations.
- Although in Alameda County, Niles Canyon is closer to the county's population center, unlike the far reaches of southern Santa Clara County.
- County resources needed for the creation of a fairgrounds railroad museum would be avoided.
- The current 1.3 acre fairgrounds site would be readily available for use.
- The action relinquishes 5 acres of fairground property designated for a railroad museum
- Moving the Coyote Depot to History Park ensures it's preservation for future generations, and completes a narrative.
- The historic Coyote Depot would become our local railroad museum for public enjoyment.

Costs to move

Railroad items are large. The lack of rail access at the fairgrounds changes everything, including the large 150-ton steam locomotive that will have to be moved by highway, necessitating heavy-duty trucks and cranes. Because of the large loads, special permits will be required. Due to weight and height limits, the steam locomotive will have to be partially dismantled by separating the boiler from the frame, which is difficult. The reassembly of the boiler to the frame is additionally challenging to ensure proper connections are made. A nationally recognized steam locomotive expert, Robert Franzen with Steam Services of America, will be contracted to oversee this critical task. Local firms, Renn Transportation and Peninsula Crane and Rigging, will provide the physical services to move the locomotive via highway.

Beyond the locomotive, there are other components that require professional movers such as the diesel locomotive, railroad cars, the 80ft-long turntable, as well as the 25 foot high by 23 wide water tank. The approximately 27,000 historic roundhouse bricks are currently stored on 88 pallets. A great deal of labor and containers will be required to safely move tooling, parts, and equipment via commercial trucking resulting in the use of time and material agreements.

The Coyote Depot will be relocated by a local house mover, Kelly Brothers, with oversight by an historically minded general contractor, Garden City Construction. Once at History Park, a foundation will be required before restoration work can be performed.

Item	Supplier	Estimate
Steam Locomotive Disassembly and Reassembly	Steam Services of America	\$302,000
Crane Services - 2 days	Peninsula Crane & Rigging	\$28,200
Trucking Services to Niles	Renn Transportation	\$52,800
Containers and trucking for small parts	Various	\$50,000
	Subtotal	\$433,000
Other Railcars to Niles and History Park	Renn and PCR	\$27,050
Roundhouse Material to Niles (included are turntable, water tank, bricks, wood components and rail)	Various - Time and Material estimate	\$175,000
Coyote Depot move to History Park	Garden City Construction	\$295,000
	Request Total	\$930,050

Distribution of Requested Funding

Year 1	\$300,000
Year 2	\$330,050
Year 3	<u>\$300,000</u>
Total	\$930,050

Due to the complexity and size of this relocation effort, logistical planning will be utilized to efficiently schedule required resources. A one-time funding distribution permits the work to be completed within a two-to-three year period.

How will the Funds be Utilized and Reported to the County?

Since its inception in 1982, CTRC has managed different accounts for its restoration activities. Funding would be deposited into a dedicated CTRC account that is managed by a CPA and available for audit. CTRC's President has over 25 years of procurement experience and is familiar with sourcing activity to ensure the most qualified contractor is utilized. CTRC and the PLA will carefully choose firms and individuals who are familiar with the movement of historic railroad artifacts. An enforceable contract outlining the particular scope of work for each element of the project will be executed with the suppliers before work commences. In some cases, the supplier may require partial upfront funding to procure material and other expenses related to the work. In other cases, due to the quantity of roundhouse and tooling items to be moved, a time and material contract will be utilized. Where possible, CTRC will directly purchase supplies to avoid any contractor markup. The manner in which funding is spent will be reported by contractor invoices, cancelled checks, photos and videos. These reports will also show the accumulated expenditures and balance to date. To the best of its ability, CTRC will work to efficiently utilize the funding provided.

Final Thoughts

For several decades, Bay Area cities and counties have joined together to address regional solutions including, but not limited to transportation, air pollution and parklands. Perhaps a mutual effort should be initiated with our neighboring counties for regional historic preservation, starting with the county-owned steam locomotive and roundhouse.

The California Trolley and Railroad Corporation appreciates previous Santa Clara County resources to preserve historic railroad artifacts at the fairgrounds. Despite ongoing community support and the receipt of prior grants, the effort to create a railroad museum environment has not been fulfilled and will sadly never occur in our community. The relocation of the artifacts to Niles Canyon and History Park will place the same items in appropriate settings for the recreational and educational enjoyment of future generations

Respectfully,

Kenneth A. Middlebrook
President
California Trolley and Railroad Corporation
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cc.d by email:
Supervisor Cindy Chavez, District 2
CTRRC Board of Directors