

## **MEMORANDUM**

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** August 17-18, 2022

**From:** STEVEN KECK, Chief Financial Officer

**Reference Number:** 2.6g.(2), Action Item

**Prepared By:** Kyle Grading, Chief  
Division of Rail and Mass Transportation

**Subject:** **SUPPLEMENTAL FUNDS ALLOCATION FOR TRANSIT AND INTERCITY RAIL  
CAPITAL PROGRAM – VALLEY RAIL (NATOMAS STATION AND  
LAYOVER FACILITY)  
RESOLUTION TIRCP-2223-27S**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve a request for an additional \$5,433,000 in funds for the Right of Way (RW) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2018:19) Valley Rail (Natomas Station and Layover Facility) project (PPNO CP035B), in Sacramento County?

### **RECOMMENDATION:**

The California Department of Transportation recommends that the Commission approve a request for an additional \$5,433,000 for the RW phase of the TIRCP (2018:19) Valley Rail (Natomas Station and Layover Facility) project (PPNO CP035B), in Sacramento County.

### **BACKGROUND:**

In January 2021, the Commission approved Resolution TIRCP-2021-10 for a total of \$9,599,000 for the RW phase of the TIRCP (2018:19) Valley Rail (Acquisition of Right of Way) project. In June 2021, the Commission approved Resolution TIRCP-2021-31 which amended the component name to Trackwork and Stations: Lodi, City College, Midtown, Natomas Station, and Layover Facility and UPRR Track Work.

Concurrent to this Supplemental Allocation request, the Trackwork and Stations: Lodi, City College, Midtown, Natomas Station, and Layover Facility and UPRR Track Work allocation is being split into subcomponents with \$4,927,000 of the total \$9,500,000 allocation assigned to the Natomas Station and Layover Facility subcomponent. This \$5,433,000 Supplemental Allocation request supplements the \$4,927,000 from the original allocation that is being assigned to the Natomas Station and Layover Facility component.

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serves all people and respects the environment.”*

**PROJECT LOCATION AND DESCRIPTION:**

The Natomas Station and Layover Facility component is located in Sacramento County. The Valley Rail Project will increase ridership through an integrated expansion of intercity and commuter rail service between Ceres, Modesto, Stockton and Sacramento, as well as between Fresno and Sacramento; and through an extension of San Jose-bound commuter rail service to Sacramento. The new Natomas Station and Layover Facility will be an integral part of the new passenger rail service.

**FUNDING STATUS**

The programmed amount for the Natomas Station and Layover Facility is \$4,927,000 for the RW phase. To complete the RW phase, an additional \$5,433,000 is needed. The additional TIRCP funding for RW will be directed from a future programmed construction phase for TIRCP funding of the Valley Rail project, for which construction costs were overestimated at the time of programming. Concurrently with this Supplemental Allocation request, the current RW phase of this component is being separated, and the combined Trackwork and Stations: Lodi, City College, Midtown, Natomas Station, and Layover Facility and UPRR Track Work component will no longer exist.

**REASON(S) FOR THE COST INCREASE:**

When the TIRCP application was prepared in January 2018, the property was mostly vacant. The value of the property increased since the grant application after posting for sale, improvements made by the owner, increasing property values, and new tenants that leased spaces. Also, the original estimate did not include relocation costs for the tenants, which are now expected to be substantial for these properties. San Joaquin Regional Rail Commission (SJRRRC) became aware of the cost increases as part of their formal acquisition process (SJRRRC's formal appraisal), which began in late 2021 and has continued into 2022. SJRRRC does not expect there to be further cost increases for right of way work for Natomas Station and Layover Facility component.

**CONSEQUENCES:**

Without this supplemental approval of \$5,433,000, the Natomas Station and Layover Facility component will be delayed until additional funding is secured to complete the RW phase. The RW phase of the component is projected to be completed by May 2023. It is imperative to complete the RW phase work within the scheduled timeline to avoid any further delays.

**FINANCIAL RESOLUTION:**

Be it Resolved, that an additional \$5,433,000 be allocated from the Budget Act of 2021, Budget Act Items 2660-301-0046R and 2660-101-0046 for the TIRCP (2018:19) Valley Rail (Natomas Station and Layover Facility) project (PPNO CP035B).

Attachment

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## 2.6 Mass Transportation Financial Matters

Project # Allocation Amount Recipient <u>RTPA/CTC</u> District-County	Project Title Location Project Description	PPNO Program/Year Phase Prgm'd Amount Project ID	Budget Year Item # Fund Type Program Code	Amount by Fund Type
2.6g.(2)	<b>Supplemental Allocation - Transit and Intercity Rail Capital Program (SB1 Augmentation for PTA)</b>			<b>Resolution TIRCP-2223-27S</b>
1 \$5,433,000 San Joaquin Regional Rail Commission <u>SACOG</u> 03-Sacramento	<p><b>(2018:19) Valley Rail (Natomas Station and Layover Facility).</b> A new Natomas passenger rail station and layover facility, which will be part of a new passenger rail service between Stockton and Sacramento.</p> <p><u>Outcome/Outputs:</u> Increase ridership through an integrated expansion of intercity and commuter rail service between Ceres, Modesto, Stockton, and Sacramento, as well as between Fresno and Sacramento; and through an extension of San Jose-bound commuter rail service to Sacramento.</p> <p>(CEQA - EIR, 12/2/2020)</p> <p>Future consideration of funding approved under Resolution E-20-130; December 2020.</p> <p>The initial allocation of \$9,599,000 R/W for Trackwork and Stations was approved under Resolution TIRCP-2021-10; January 2021.</p> <p>A concurrent allocation amendment under Resolution TIRCP-2223-10; August 2022, separates this allocation into sub components and allocates \$4,927,000 to Natomas Station and Layover Facility.</p> <p>Upon approval of this request the total allocation amount for the R/W phase of the Natomas Station and Layover Facility component will be \$10,360,000.</p> <p>The current allocation of \$5,433,000 is needed to complete the R/W phase following a sale of the property, improvements, rental to tenants, and increased property values. The new station and layover facility is required to achieve the benefits set out in the original TIRCP application.</p> <p>SB 1 Augmentation for PTA</p>	<p>03-CP035B TIRCP/22-23 R/W \$2,414,000</p> <p>TIRCP/22-23 R/W \$3,019,000 0023000003 S R387GO</p>	<p>2021-22 301-0046R GGFR 30.20.301.100</p> <p>2021-22 101-0046 PTA 30.10.030.200</p>	<p>\$2,414,000</p> <p>\$3,019,000</p>