

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 21-22, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(3), Action Item

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Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT  
EXPENDITURE FOR TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM  
COMPONENTS, PER TIRCP ALLOCATION POLICY  
WAIVER 24-42**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project development expenditure for seven Transit and Intercity Rail Capital Program (TIRCP) (2018:19) Valley Rail components, for the time periods as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation recommends that the Commission extend the period of project development expenditure for seven TIRCP (2018:19) Valley Rail components, for the time periods as identified in the attachment.

### **BACKGROUND:**

The Commission allocated \$18,443,000 for seven TIRCP (2018:19) Valley Rail components identified in the attachment. The responsible agency has been unable to complete the project components per the Timely Use of Funds (TUF) policy. The current TIRCP Allocation Policy stipulates that the agency implementing a project component request a time extension if the project component will not be completed within the specified timeline. Under the TUF policy, an extension can be requested for up to 20 months for each delivery milestone, where permissible by statute. The attachment describes the details of the project components and the explanation of the delays.

Attachment

*"Provide a safe and reliable transportation network that  
serves all people and respects the environment."*

**Time Extension/Waiver – Project Development Expenditure  
Transit and Intercity Rail Capital Program**

Project Number: 1  
Applicant: San Joaquin Regional Rail Commission  
County: Sacramento  
District: 3  
PPNO: CP035A  
Allocation Amount: \$14,460,000  
Remaining Balance: \$4,240,757  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/19/2021  
Allocation Resolution: TIRCP-2122-01  
Number of Months Requested: 20 Months  
Extended Deadline: 2/28/2026  
Department Recommendation: Support

**(2018:19) Valley Rail (Elk Grove Station)**

The San Joaquin Regional Rail Commission (SJRRRC) requests a 20-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the (2018:19) Valley Rail (Elk Grove Station) component. SJRRRC has experienced unexpected delays in completing the PS&E phase of this component.

This component proposes to construct a new Elk Grove passenger rail station and will function as part of new passenger rail service between Stockton and Sacramento.

In August 2021, the Commission approved an allocation of \$14,460,000 for the PS&E phase of the (2018:19) Valley Rail (Trackwork and Stations: Lodi, Midtown, Natomas Station and Layover facility and UPRR Trackwork) project. In August 2022, the Commission approved an amendment to split the PS&E phase of the (2018:19) Valley Rail (Trackwork and Stations: Lodi, Midtown, Natomas Station and Layover facility and UPRR Trackwork) (PPNO CP035) project, into eleven separate components. The Elk Grove Station component (PPNO CP035A) received \$536,000 for PS&E as part of this split. In May 2022, prior to the official split of the components the Commission allocated \$4,190,000 for the PS&E phase of the Elk Grove Station component. In August 2023, the Commission approved a supplemental allocation of \$650,000 for the PS&E phase of the component, bringing the PS&E allocated total amount for this component to \$5,376,000.

The PS&E phase is delayed because the design review process with host railroads is taking longer than anticipated. Host railroads require separate submittal packages for each element. For example, individual structural submittals are required for platforms, culverts, and bridges. Each submittal begins the review process and usually takes two or more review cycles. These

multiple cycles create additional work for SJRRC's project and design teams and lead to more hold points where some design elements' submittals must pause while waiting for other elements' submittals to catch up. Railroad submittals at the early stages of the design are more detailed than they would be for highways, so simple revisions require extensive changes to multiple design sheets. The Right of Way (RW) has also been delayed due to utility relocations that are being performed during the RW phase. Utility carriers are actively designing utility relocations plans; however, that effort is hampered by other projects in California, including other SJRRC projects. This is due to a shortage of design firms that specialize in this work. Utility carriers use a very small, select pool of approved design vendors, and SJRRC has no way to force the carriers to utilize other potential vendors.

To minimize future design delays, SJRRC is implementing an improved quality assurance process for design submittals through SJRRC's recently hired Design Manager. This person's role is to provide a detailed review of the submittal package prior to transmission to host railroads to help reduce the possibility of each submittal being rejected by the host railroad. SJRRC is also working with utility carriers to expedite the design of utility relocations by providing computer aided drafting (CAD) backgrounds to ease the design burden, and by providing potential alignments for the utilities to occupy that do not conflict with SJRRC projects. Since SJRRC projects affect multiple utility carriers, SJRRC has coordinated with the affected carriers to select one carrier to lead the effort, with the other carriers in support roles. This will aid in the overall delivery schedule for utility relocations.

The station, access, parking, and site are currently at 60 percent design and the station is nearing the completion of 90 percent design. The 90 percent design for track alignment has been sent to Union Pacific Railroad (UPRR) for review. The revised schedule is to complete the PS&E phase by February 28, 2026. There is a concurrent project development expenditure time extension for the RW phase of this component under this same item on this month's agenda.

Therefore, SJRRC is requesting a 20-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to February 28, 2026.

Project Number: 2  
Applicant: San Joaquin Regional Rail Commission  
County: Sacramento  
District: 3  
PPNO: CP035A  
Allocation Amount: \$6,940,000  
Remaining Balance: \$4,956,640  
Phase: Right of Way  
Allocation Dates: 5/19/2022  
Allocation Resolution: TIRCP-2122-33  
Number of Months Requested: 20 Months  
Extended Deadline: 2/28/2026  
Department Recommendation: Support

**(2018:19) Valley Rail (Elk Grove Station)**

The SJRRC requests a 20-month time extension for the period of project development expenditure for the RW phase of the (2018:19) Valley Rail (Elk Grove Station) component. SJRRC has experienced unexpected delays in completing the RW phase of this component.

This component proposes to construct a new Elk Grove passenger rail station and will function as part of new passenger rail service between Stockton and Sacramento.

In May 2022, the Commission allocated \$6,940,000 for the RW phase of the (2018:19) Valley Rail (Elk Grove Station) component. In January 2023, the Commission approved a supplemental allocation of \$300,000 for the RW phase of the Elk Grove Station component. In August 2023, the Commission approved an additional supplemental allocation of \$5,012,000 for the RW phase of the component, bringing the RW allocated total amount for this component to \$12,252,000.

The PS&E phase is delayed because the design review process with host railroads is taking longer than anticipated. Host railroads requires separate submittal packages for each element. For example, individual structural submittals are required for platforms, culverts, and bridges. Each submittal begins the review process and usually takes two or more review cycles. These multiple cycles create additional work for SJRRC's project and design teams and lead to more hold points where some design elements' submittals must pause while waiting for other elements' submittals to catch up. Railroad submittals at the early stages of the design are more detailed than they would be for highways, so simple revisions require extensive changes to multiple design sheets. The RW phase has also been delayed due to utility relocations that are being performed during the RW phase. Utility carriers are actively designing utility relocations plans; however, that effort is hampered by other projects in California, including other SJRRC projects. This is due to a shortage of design firms that specialize in this work.

Utility carriers use a very small, select pool of approved design vendors, and SJRRC has no way to force the carriers to utilize other potential vendors.

To minimize future design delays, SJRRC is implementing an improved quality assurance process for design submittals through SJRRC's recently hired Design Manager. This person's role is to provide a detailed review of the submittal package prior to transmission to host railroads to help reduce the possibility of each submittal being rejected by the host railroad. SJRRC is also working with utility carriers to expedite the design of utility relocations by providing CAD backgrounds to ease the design burden, and by providing potential alignments for the utilities to occupy that do not conflict with SJRRC projects. Since SJRRC projects affect multiple utility carriers, SJRRC has coordinated with the affected carriers to select one carrier to lead the effort, with the other carriers in support roles. This will aid in the overall delivery schedule for utility relocations.

The station, access, parking, and site are currently at 60 percent design and the station is nearing the completion of 90 percent design. The 90 percent design for track alignment has been sent to UPRR for review. The revised schedule is to complete the RW phase by February 28, 2026. There is a concurrent project development expenditure time extension for the PS&E phase of this component under this same item on this month's agenda.

Therefore, SJRRC is requesting a 20-month time extension for the period of project development expenditure for the RW phase from June 30, 2024 to February 28, 2026.

Project Number: 3  
Applicant: San Joaquin Regional Rail Commission  
County: Sacramento  
District: 3  
PPNO: CP035H  
Allocation Amount: \$659,000  
Remaining Balance: \$656,961  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/18/2022  
Allocation Resolution: TIRCP-2223-20  
Number of Months Requested: 20 Months  
Extended Deadline: 2/28/2026  
Department Recommendation: Support

**(2018:19) Valley Rail (Pollock Siding Upgrade)**

The SJRRC requests a 20-month time extension for the period of project development expenditure for the PS&E phase of the (2018:19) Valley Rail (Pollock Siding Upgrade) component. SJRRC has experienced unexpected delays in completing the PS&E phase of this component.

This component proposes to upgrade Pollock Siding between Meadowview Road and Florin Road in Sacramento and will function as part of new passenger rail service between Stockton and Sacramento.

In August 2022, the Commission allocated \$659,000 for the PS&E phase of the (2018:19) Valley Rail (Pollock Siding Upgrade) component.

The PS&E phase is delayed because UPRR mandated design revisions which required one switch to be rehabilitated, the location of one switch installation to be modified, and improvements to be made to the existing siding. Additionally, the project was delayed while UPRR considered and ultimately rejected the possibility of delaying this component to combine the work with a future extension of the same siding.

SJRRC is pursuing opportunities to accelerate the design of the component. SJRRC executed a contract for PS&E for this component in November of 2023. SJRRC has also obtained the Right-of-Entry to obtain survey and other on-site investigations to progress the design. SJRRC is currently preparing an initial concept for UPRR's review. This submittal level will set the horizontal geometry for the component. After UPRR has approved this submittal, SJRRC will complete the 25 percent Track Submittal and request UPRR to pre-schedule the 25 percent Site Walk. Once the 25 percent Site Walk is complete, SJRRC will request UPRR to allow the component to skip the 30 percent design submittal based on the component's straight forward design, progressing straight to the 90 percent Track Submittal. Approval of this request will

allow several months of design delay to be recovered in the schedule. Following approval of the 90 percent Track Submittal, the SJRRC will complete the 100 percent Track Submittal, which will be the final submittal to UPRR. Based on several track submittals to UPRR, SJRRC has compiled a list of lessons learned. The design submittals for this component will utilize these lessons to reduce the risk that UPRR will require multiple submittal revisions. The overall PS&E phase for this component is currently 2 percent complete.

Therefore, SJRRC is requesting a 20-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to February 28, 2026.

Project Number: 4  
Applicant: San Joaquin Regional Rail Commission  
County: San Joaquin  
District: 10  
PPNO: CP035K  
Allocation Amount: \$41,000  
Remaining Balance: \$41,000  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/18/2022  
Allocation Resolution: TIRCP-2223-22  
Number of Months Requested: 12 Months  
Extended Deadline: 6/30/2025  
Department Recommendation: Support

**(2018:19) Valley Rail (Sacramento Subdivision Curve MP 114.73 to MP 115.04)**

The SJRRC requests a 12-month time extension for the period of project development expenditure for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 114.73 to MP 115.04) component. SJRRC has experienced unexpected delays in completing the PS&E phase of this component.

This component proposes to improve a UPRR Sacramento Division curve from MP 114.73 to MP 115.04 and will function as part of new passenger rail service between Stockton and Sacramento.

In August 2022, the Commission allocated \$41,000 for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 114.73 to MP 115.04) component.

The PS&E phase is delayed due to a delay in contracting with UPRR. SJRRC and UPRR agreed that UPRR would complete the engineering for this curve realignment component, rather than have SJRRC contract with a design firm. UPRR took 13 months to execute an engineering reimbursement agreement with SJRRC to complete this work, so the agreement was not executed until September 2023.

To mitigate the contracting delay, SJRRC has requested that UPRR accelerate the design of the project component because it has no interface with the operations of SJRRC's stations. In addition, SJRRC has scheduled bi-weekly meetings with UPRR to assist the design to progress as efficiently as possible. The PS&E phase for this component is currently five percent complete. The revised schedule is to complete the PS&E phase by June 30, 2025.

Therefore, SJRRC is requesting a 12-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to June 30, 2025.



Project Number: 5  
Applicant: San Joaquin Regional Rail Commission  
County: San Joaquin  
District: 10  
PPNO: CP035L  
Allocation Amount: \$43,000  
Remaining Balance: \$43,000  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/18/2022  
Allocation Resolution: TIRCP-2223-23  
Number of Months Requested: 12 Months  
Extended Deadline: 6/30/2025  
Department Recommendation: Support

**(2018:19) Valley Rail (Sacramento Subdivision Curve MP 117.18 to MP 117.55)**

The SJRRC requests a 12-month time extension for the period of project development expenditure for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 117.18 to MP 117.55) component. SJRRC has experienced unexpected delays in completing the PS&E phase of this component.

This component proposes to improve a UPRR Sacramento Division curve from MP 117.18 to MP 117.55 and will function as part of new passenger rail service between Stockton and Sacramento.

In August 2022, the Commission allocated \$43,000 for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 117.18 to MP 117.55) component.

The PS&E phase is delayed due to a delay in contracting with UPRR. SJRRC and UPRR agreed that UPRR would complete the engineering for this curve realignment component, rather than have SJRRC contract with a design firm. UPRR took 13 months to execute an engineering reimbursement agreement with SJRRC to complete this work, so the agreement was not executed until September 2023.

To mitigate the contracting delay, SJRRC has requested that UPRR accelerate the design of the project component because it has no interface with the operations of SJRRC's stations. In addition, SJRRC has scheduled bi-weekly meetings with UPRR to assist the design to progress as efficiently as possible. The PS&E phase for this component is currently five percent complete. The revised schedule is to complete the PS&E phase by June 30, 2025.

Therefore, SJRRC is requesting a 12-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to June 30, 2025.

Project Number: 6  
Applicant: San Joaquin Regional Rail Commission  
County: San Joaquin  
District: 10  
PPNO: CP035M  
Allocation Amount: \$37,000  
Remaining Balance: \$37,000  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/18/2022  
Allocation Resolution: TIRCP-2223-24  
Number of Months Requested: 12 Months  
Extended Deadline: 6/30/2025  
Department Recommendation: Support

**(2018:19) Valley Rail (Sacramento Subdivision Curve MP 135.55 to MP 135.85)**

The SJRRC requests a 12-month time extension for the period of project development expenditure for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 135.55 to MP 135.85) component. SJRRC has experienced unexpected delays in completing the PS&E phase of this component.

This component proposes to improve a UPRR Sacramento Division curve from MP 135.55 to MP 135.85 and will function as part of new passenger rail service between Stockton and Sacramento.

In August 2022, the Commission allocated \$37,000 for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 135.55 to MP 135.85) component.

The PS&E phase is delayed due to a delay in contracting with UPRR. SJRRC and UPRR agreed that UPRR would complete the engineering for this curve realignment component, rather than have SJRRC contract with a design firm. UPRR took 13 months to execute an engineering reimbursement agreement with SJRRC to complete this work, so the agreement was not executed until September 2023.

To mitigate the contracting delay, SJRRC has requested that UPRR accelerate the design of the project component because it has no interface with the operations of SJRRC's stations. In addition, SJRRC has scheduled bi-weekly meetings with UPRR to assist the design to progress as efficiently as possible. The PS&E phase for this component is currently five percent complete. The revised schedule is to complete the PS&E phase by June 30, 2025.

Therefore, SJRRC is requesting a 12-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to June 30, 2025.

Project Number: 7  
Applicant: San Joaquin Regional Rail Commission  
County: San Joaquin  
District: 10  
PPNO: CP035N  
Allocation Amount: \$35,000  
Remaining Balance: \$35,000  
Phase: Plans, Specifications, and Estimate  
Allocation Dates: 8/18/2022  
Allocation Resolution: TIRCP-2223-25  
Number of Months Requested: 12 Months  
Extended Deadline: 6/30/2025  
Department Recommendation: Support

**(2018:19) Valley Rail (Sacramento Subdivision Curve MP 97.08 to MP 97.38)**

The SJRRC requests a 12-month time extension for the period of project development expenditure for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 97.08 to MP 97.38) component. SJRRC has experienced unexpected delays in completing the PS&E phase of this component.

In August 2022, the Commission allocated \$35,000 for the PS&E phase of the (2018:19) Valley Rail (Sacramento Subdivision Curve MP 97.08 to MP 97.38) component.

This component proposes to improve a UPRR Sacramento Division curve from MP 97.08 to MP 97.38 and will function as part of new passenger rail service between Stockton and Sacramento.

The PS&E phase is delayed due to a delay in contracting with UPRR. SJRRC and UPRR agreed that UPRR would complete the engineering for this curve realignment component, rather than have SJRRC contract with a design firm. UPRR took 13 months to execute an engineering reimbursement agreement with SJRRC to complete this work, so the agreement was not executed until September 2023.

To mitigate the contracting delay, SJRRC has requested that UPRR accelerate the design of the project component because it has no interface with the operations of SJRRC's stations. In addition, SJRRC has scheduled bi-weekly meetings with UPRR to assist the design to progress as efficiently as possible. The PS&E phase for this component is currently five percent complete. The revised schedule is to complete the PS&E phase by June 30, 2025.

Therefore, SJRRC is requesting a 12-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2024 to June 30, 2025.