

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 5-6, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5s.(7), Action Item

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE SENATE BILL 1 TRADE CORRIDOR ENHANCEMENT PROGRAM - 7TH STREET GRADE SEPARATION (EAST) PROJECT, OFF THE STATE HIGHWAY SYSTEM RESOLUTION TCEP-A-2425-11S**

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$13,500,000 for the Construction (CON) phase of the locally-administered Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) 7th Street Grade Separation (East) project (PPNO 2103D), off the State Highway System, in Alameda County?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission approve a request for an additional \$13,500,000 for the CON phase of the locally-administered SB 1 TCEP 7th Street Grade Separation (East) project (PPNO 2103D), off the State Highway System, in Alameda County.

PROJECT DESCRIPTION:

The 7th Street Grade Separation (East) project (PPNO 2103D) is located in Alameda County and will result in the reconstruction of the existing underpass and multi-use path, and the reconstruction of rail tracks and other rail infrastructure at the Union Pacific Railroad (UPRR) mainline.

FINANCIAL AND PROGRAMMING STATUS:

In May 2018, the Commission programmed \$175,000,000 in SB 1 TCEP funds for the CON phase of the 7th Street Grade Separation (East) project (PPNO 2103D) for Fiscal Year 2019-20. In October 2020, the Commission approved reprogramming of TCEP funds to

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

2022-23 after the impasse in negotiations with UPRR. This allowed the Alameda County Transportation Commission (Agency) to initiate a condemnation action to acquire the real property interests from UPRR necessary for the project.

In December 2022, the Commission approved an allocation of \$175,000,000 for the CON phase of the 7th Street Grade Separation (East) project (PPNO 2103D). The Construction Contract for the project was awarded in May 2023. The ongoing negotiations between the Agency and UPRR necessitated additional funds. In July 2023, California State Transportation Agency (CalSTA) Port and Freight Infrastructure Program (PFIP) funds of \$13,500,000 were programmed for the CON phase. In June 2024, the Commission approved an allocation amendment to allow non-proportional spending of the TCEP funds due to State Budget challenges. The Agency explored other avenues for funding, but given that the project is currently in CON, options are limited. The Agency is requesting the additional \$13,500,000 in State TCEP supplemental funds in lieu of the PFIP funds, which were impacted by the State Budget. The non-proportionality conditions are removed due to the absence of PFIP funding.

Construction Component	Original Funding Plan	Supplemental Amount	Revised Allocation Amount
TCEP State	\$70,000,000	\$13,500,000	\$83,500,000
TCEP Regional	\$105,000,000		\$105,000,000
Local Funds	\$84,012,000		\$84,012,000
PFIP	\$13,500,000	(\$13,500,000)	
TOTAL	\$272,512,000		\$272,512,000

REASON(S) FOR THE COST INCREASE:

This project was programmed with TCEP, Local, and PFIP funds. However, due to the State's Budget deficit, PFIP funding is not currently available. To fully fund the project and continue through completion, the Agency is requesting TCEP supplemental funds in lieu of the PFIP funds.

CONSEQUENCES:

If this request for supplemental funds is not approved for the construction completion of the 7th Street Grade Separation (East) project (PPNO 2103D), the project will not be able to deliver the entire scope and will not be completed on time. There might be additional claims due to the delay in funding.

FINANCIAL RESOLUTION:

Be it resolved, that an additional \$13,500,000 be allocated from the Budget Act of 2022, Budget Act Item 2660-101-3291 to complete the CON phase of the 7th Street Grade Separation (East) project (PPNO 2103D).

Attachment

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

2.5 Highway Financial Matters

Project #	Project Title	PPNO Program Funding Year Item #	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
Allocation Amount Recipient <u>RTPA/CTC</u> District-County	Location Project Description	Fund Type Program Codes Project ID Adv Phase			

2.5s.(7)	Supplemental Allocation - Locally-Administered Senate Bill 1 - TCEP Project	Resolution TCEP-A-2425-11S
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1	7th Street Grade Separation (East) In the city of Oakland within the Port of Oakland along 7th Street, from east of Maritime Street to just west of I-880 near Bay Street.	04-2103D TCEP-S/2022-23 CONST			
\$13,500,000	Reconstruction of the existing underpass and multi-use path, and the reconstruction of rail tracks and other rail infrastructure at the Union Pacific Railroad (UPRR) mainline.	101-3291 TCEA 20.30.210.310	\$70,000,000	\$13,500,000	\$83,500,000
Alameda County Transportation Commission					
<u>MTC</u>	<u>Outputs</u>	<u>Unit</u>			
04-Alameda	Bicycle lane mile(s)	Miles			
	Local road lane-mile(s) rehabilitated	Miles			
	Grade separation(s) / rail crossing improvement(s)	Each			

Total revised amount \$188,500,000.

Supplemental funds are needed to complete construction.

CEQA - EIR, 9/17/2002; Addendum 7/21/2012

Future consideration of funding approved under Resolution E-12-56; August 2012.

Right of Way Certification: 12/02/2022

State TCEP Supplemental funds in lieu of CalSTA Port and Freight Infrastructure Program impacted by State Budget