

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.6g.(11), Action Item

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM – (2023:22) SANTA CRUZ ZERO EMISSION INTERCITY TRANSIT SERVICE EXPANSION PROJECT (HYDROGEN FUELING STATION) COMPONENT**
RESOLUTION TIRCP-2526-24S

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$906,000 for the Construction (CON) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2023:22) Santa Cruz Zero Emission Intercity Transit Service Expansion Project (Hydrogen Fueling Station) component (PPNO CP128A), in Santa Cruz County?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission approve a request for an additional \$906,000 for the CON phase of the TIRCP (2023:22) Santa Cruz Zero Emission Intercity Transit Service Expansion Project (Hydrogen Fueling Station) component (PPNO CP128A), in Santa Cruz County.

BACKGROUND:

In August 2024, the Commission approved \$8,792,000 for the CON phase of the Hydrogen Fueling Station component (PPNO CP128A), under Resolution TIRCP-2425-14.

PROJECT LOCATION AND DESCRIPTION:

The Hydrogen Fueling Station component (PPNO CP128A), in Santa Cruz County, represents construction of a new hydrogen fueling station to provide the necessary infrastructure to support new hydrogen fuel cell zero-emission buses (HFCZEBs). The Santa Cruz Metropolitan

Transit District (SCMTD) is using a Progressive Design-Build delivery to build a hydrogen fueling station for their new HFCZEBs.

FUNDING STATUS:

This project component was originally programmed and allocated \$8,792,000 to the CON phase. However, an additional \$906,000 is needed.

REASON(S) FOR THE COST INCREASE:

In April 2023, the Santa Cruz Zero Emission Intercity Transit Service Expansion Project was awarded TIRCP funds. Since the award, SCMTD construction costs have risen due to the need for two additional bid items necessary for the safe and effective function of the Hydrogen Fueling Station. The first item is electrical make-ready infrastructure upgrades to the Pacific Gas and Electric main service panel that will feed the hydrogen fuel station's switch gear. The second item is for a boil-off gas compressor, which will reduce the venting of hydrogen gas into the atmosphere by converting the vented gas into hydrogen gas storage tubes for use by SCMTD's hydrogen bus fleet. The addition of these vital bid items increased project construction costs by \$906,000.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Hydrogen Fueling Station component (PPNO CP128A) will not be able to implement the safety and functionality elements of the project, causing delays and jeopardizing project completion.

FINANCIAL RESOLUTION:

Be it Resolved, that an additional \$906,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-301-0046R, to complete the CON phase of the TIRCP (2023:22) Santa Cruz Zero Emission Intercity Transit Service Expansion Project (Hydrogen Fueling Station) component (PPNO CP128A), in Santa Cruz County.

Attachment

2.6 Mass Transportation Financial Matters

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

2.6g.(11) Supplemental Allocation - Transit and Intercity Rail Capital Program Resolution TIRCP-2526-24S

1	\$906,000	Santa Cruz Metropolitan Transit District <u>SCCRTC</u> 05-Santa Cruz	(2023:22) Santa Cruz Zero Emission Intercity Transit Service Expansion Project (Hydrogen Fueling Station). Construction of a new hydrogen fueling station to provide the necessary infrastructure to support new hydrogen fuel cell zero-emission buses (HFCZEBs). The Santa Cruz Metropolitan Transit District is using a Progressive Design-Build delivery to build a hydrogen fueling station for their new HFZEBs. <u>Outcome/Outputs:</u> Reduction of greenhouse gas emissions by converting 100 percent of Santa Cruz Metro's fleet to zero-emission vehicles by 2037, reduction of traffic congestion, expanded transit service routes to disadvantaged communities. Total revised amount \$9,698,000. Supplemental funds are needed to complete construction. CEQA - SE, 06/16/2023 Right of Way Certification: N/A In April 2023, Project 2023:22 was awarded \$38,589,000 Cycle 6 General Fund New Project Funding.	05-CP128A TIRCP/2024-25 CONST 301-0046R GF 30.20.301.200 0026000024 S T545GH	\$8,792,000	\$906,000	\$9,698,000
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