

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.1s.(1), Action Item

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Division of Local Assistance

Subject: **SENATE BILL 1 TRADE CORRIDOR ENHANCEMENT PROGRAM – PROJECT SCOPE AMENDMENT – TOWN RAIL SAFETY IMPROVEMENTS PROJECT RESOLUTION TCEP-P-2526-06**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve a project scope amendment for the Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) TOWN Rail Safety Improvements project (PPNO 2090K), in Alameda County, to amend the scope?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the Commission approve this project scope amendment for the SB 1 TCEP TOWN Rail Safety Improvements project (PPNO 2090K), in Alameda County, to amend the scope.

### **DISCUSSION:**

The TOWN Rail Safety Improvements project is a subset of a larger corridor project with four distinct subprojects that will improve railroad operational efficiencies, minimize injuries to community members and railroad operators, eliminate heavy container permitted trucks traversing residential neighborhoods, and reduce greenhouse gas emissions.

The Department is requesting a project scope change to revise the locations of the approved project improvements and decrease the number of at-grade crossings from three to two. The project as currently programmed requires the City of Oakland and the Port of Oakland to extend negotiations with the Union Pacific Railroad and research alternative design solutions that meet all parties' requirements along the corridor. These negotiations are causing a delay to certain portions of the project that would not be completed within the current timeline of the project.

As a result of the scope change, the benefits are expected to be the same or better and will redirect improvements to intersections with the highest and most severe number of reported conflict incidents in recent years. There is no change to the original TCEP funding amount. The project will remain on schedule with this modification. The three at-grade crossing improvements removed from the scope will be delivered with California Assembly Bill 128 funds as part of the comprehensive Embarcadero West Rail Safety and Access Improvements project, with an expected completion date of December 2029.

**ANALYSIS:**

The Department's analysis has concluded that the extended negotiations and additional research for alternative design solutions to meet all parties' requirements along the corridor is beyond the control of the applicant. The revised scope will implement the improvements at the updated locations within the TCEP funding timeline. These locations are still within the same corridor and will include the same safety improvements as originally programmed.

**ANALYSIS RECOMMENDATION:**

Based on the Commission's scope change guidance, as well as the analysis of the proposed scope changes, the Department has determined that this scope change will not significantly reduce the overall project benefit. There is no major change to the project benefits and the proposed change redirects improvements to intersections with the highest and most severe number of reported conflict incidents in recent years. Therefore, the Department supports the proposed scope changes for this project.

**BACKGROUND:**

TCEP Guidelines stipulate that any agency implementing a TCEP project, present scope changes to the Department in a timely manner. The Department will make a recommendation to the Commission for final approval with the understanding that scope changes that are significant and result in a decrease in project benefits may result either a reduction of TCEP funds or removal from the program.

Attachment

### **Original Approved Scope**

- Heavy container permitted route between Middle Harbor Rd and Embarcadero West (Sub Project 1 – SP 1)
- Improvements at three at-grade crossings on Embarcadero West
  - MLK Way (SP 2), Clay St (SP 3), Washington St (SP 4)
    - Includes new railroad and pedestrian crossing arms, directional signage, pavement delineation, and intersection lighting
- Improvements between Embarcadero West and 2<sup>nd</sup> street along MLK (SP2), Clay (SP 3), and Washington (SP 4)
- New traffic signals on MLK, street lighting, regrading street segments to improve sight distance and ADA

### **Updated Scope (Requested)**

- Heavy container permitted route between Middle Harbor Rd and Embarcadero West (SP 1)
  - No change to original scope
    - SP 1 has secured environmental approvals and UPRR, Port, and City have approved 65% design
    - Final design package on schedule to complete Jan 2026
- Embarcadero West/Market Street and Market Street through Market St/3<sup>rd</sup> St intersection (SP 2 Updated)
  - Change in location
  - Reconstruction of the Embarcadero West and Market Street at-grade crossing to achieve current safety and design standards. Reconstruction includes new railroad and pedestrian crossing arms and equipment, directional signage, pavement delineation, and intersection lighting
  - See scope change request for additional improvements
    - SP 2 has secured environmental approvals and UPRR, Port, and City have approved 65% design
    - Final design package on schedule to complete Jan 2026
- Embarcadero West/Oak Street and Oak St through Oak St/2<sup>nd</sup> St intersection (SP 3 Updated)
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  - Change in location
  - Reconstruction of the Embarcadero West and Oak Street at-grade crossing to achieve current safety and design standards. Reconstruction includes

new railroad and pedestrian crossing arms and equipment, directional signage, pavement delineation, and intersection lighting

- SP 3 has secured environmental approvals and UPRR, Port, and City have approved 65% design
- Final design package on schedule to complete Jan 2026
- SP 4 eliminated – Only 2 intersection improved compared to 3 in original scope

### **Schedule Impacts**

- The proposed scope change will not modify the TCEP delivery schedule beyond the agreed upon dates as a result of past CTC committee actions in the PS&E phase. A Construction Phase Allocation Deadline Extension Request was submitted to CTC and approved at the meeting on May 15-16, 2025.

### **Cost Impacts**

- The scope change does not propose to modify the original funding amount (\$30.2M in TCEP funds) in the baseline agreement. However, there is a total project cost increase due to increased complexity, enhanced safety features, and construction cost escalation. Additional cost increases will be funded through local, regional, and state matching funds.

### **Outputs Impacts**

- While the comprehensive EWRSAL project does not change, the benefits/outputs of the portion of the project funded by TCEP changes slightly. The attached project outputs/benefits table summarizes the categories and outputs in the original application and the revised outputs as part of the proposed scope change.

While an overall decrease in benefits is anticipated with a reduction in total subprojects, the opportunity to deliver improvements with benefits at fewer locations on the corridor with TCEP funds outweigh the risk of losing TCEP funding for any improvements by not resolving UPRR negotiations for the original locations on the current TCEP timeline. The anticipated outputs related to the Heavy Container Vehicle Route have not changed from the original application

### **Performance Metrics**

- The results of the revised scope Benefit Cost Analysis (BCA) produces a Benefit Cost Ratio (BCR) of 1.4 while the original TCEP-funded project scope produced a

BCR of 1.6. Reduction of BCR can attributed to the reduction of site improvements and cost increase of total project.

- BCA for the revised scope is very similar to the BCA of the originally approved project
- See attached

### **Reason/Justification for change**

- This scope change requests reallocating part of TCEP funding to two at-grade crossings that can be designed and delivered within required TCEP grant timelines.

Three of the original TCEP-funded subprojects—at-grade crossing improvements at MLK Jr. Way, Clay Street, and Washington Street—were selected because the City originally anticipated these crossings would be the least controversial, given their proximity to the Port and distance from the Jack London Square commercial center. The original subprojects, along with the full comprehensive EWRSI project, were intended to be delivered on the same timeline with shared coordination with the community and stakeholders on improvements. However, the original TCEP-funded crossing improvements require extended negotiations around the removal of a disconnected third track.

This track's presence creates a fundamental design constraint that prevents implementation of modern safety improvements at the three original TCEP-funded at-grade crossings. Modern railroad crossing safety standards require gate arms and protective fencing to be positioned along the train operational envelop to separate vehicle traffic from rail operations. However, the existing third track makes this impossible—any reactivation of the third track would eliminate public access along Embarcadero West

To achieve the proposed safety improvements at the three original TCEP-funded at-grade crossings, permanent removal of the third track is necessary. While the City has established productive monthly coordination meetings with UPRR and the Port, and all parties have co-developed a conceptual framework for track removal, the complex negotiations required for permanent third track removal are expected to extend beyond TCEP grant timelines and put the funded improvements at risk.

### **Delivering improvements on eliminated intersections/sites**

This proposed scope change has no effect on the overall cost of the comprehensive Embarcadero West Rail Safety and Access Improvements (EWRSAI), which proposes improvements at eight at-grade crossings, roadway segments between each crossing, and construction of a new Heavy Container Permitted Route. The comprehensive EWRSAI project remains fully funded, assuming this TCEP scope change request is approved.

EWRSAI is funded by CalSTA (California Assembly Bill 128). This CalSTA funding has flexibility to be reallocated to the original TCEP subproject locations. CalSTA's less compressed delivery schedule allows additional time to finalize complex designs and stakeholder coordination for the original subprojects, ensuring the comprehensive EWRSAI project vision remains achievable.

### **Impact on Safety**

This proposed scope change has no effect on the overall safety and access benefits of the comprehensive Embarcadero West Rail Safety and Access Improvements (EWRSAI). While the comprehensive EWRSAI project does not change, the benefits/outputs of the portion of the project funded by TCEP changes slightly.

While an overall decrease in benefits is anticipated with a reduction in total subprojects, the opportunity to deliver improvements with benefits at fewer locations on the corridor with TCEP funds outweigh the risk of losing TCEP funding. These revised project outputs were used in the development of the updated performance metrics form as discussed in the methodology below for any improvements by not resolving UPRR negotiations for the original locations on the current TCEP timeline.

Updated Subprojects #2, #3: Market Street and Oak Street designs meet these community priorities by providing safety improvements at locations with the highest and more severe number of reported conflict incidents in recent years. A map of these incidents was created as part of public project materials, included as an attachment.

### **Safety Data**

Market Street and Oak Street had a combined two injury incidents, 20 non-injury incidents, and 156 near miss incidents.

MLK Jr Way, Washington Street, and Clay Street had a combined two injury incidents, 16 on-injury incidents, and 193 near miss incidents.

	Market St/Oak St	MLK Jr Way/Clay St/Washington St
Injury	2	2
Non-Injury	20	16
Near Miss	156	193

## Conclusion

Based on information received, SB 1 recommends approval of the requested scope change contingent on future delivery of the entire EWRSAl project with pre-identified funds.

Although the project proposes to change the location of intersection improvements and reduce the number of intersections improved from three to two, the change benefits the entire corridor. Due to the existing third track at the original locations and imposed timelines on TCEP cycle 4 projects, this change will help deliver improvements to the entire corridor which meets the community needs. The project proposes to use other funds which have additional flexibility with timing to deliver on the three intersections that are proposed for removal. In summary, the project is proposing to swap funds between sub projects so it can deliver all sub projects in the entire corridor. The revised outputs and performance metrics do differ from the original outputs and performance metrics. However, the changes are small enough they can be labeled as a non-factor. The BCR decreased slightly and can be attributed to the loss of one intersection and cost increase of the project. Failure to approve this scope change has a larger negative impact than approving the proposed scope change, as long as all the entire EWRSAl project is delivered.

### Approved TCEP Allocation



### Proposed TCEP Reallocation

