

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

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

Prepared By: Jeffery Wyly, Chief (Acting)
Division of Mass Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR A
LOCALLY-ADMINISTERED STATE TRANSPORTATION IMPROVEMENT
PROGRAM RAIL PROJECT, PER STIP GUIDELINES
WAIVER 26-57**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project allocation for the locally-administered State Transportation Improvement Program (STIP) Philips Siding Rehabilitation Rail project (PPNO 9892), in Sacramento County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission extend the period of project allocation for the locally-administered STIP Philips Siding Rehabilitation Rail project (PPNO 9892), in Sacramento County, for the period as identified in the attachment.

BACKGROUND:

The San Joaquin Joint Powers Authority will not be able to request an allocation of programmed funds by the June 30, 2026, deadline. Current STIP Guidelines stipulate that programmed funds are available for allocation only until the end of the fiscal year programmed. The Commission may approve a waiver to the Timely Use of Funds deadline, one-time only, for up to 20 months. The attachment describes the details of the project and the explanations for the delays.

Attachment

**Time Extension/Waiver – Project Allocation
State Transportation Improvement Program**

Project Number: 1
Applicant: San Joaquin Joint Powers Authority
County: Sacramento
District: 75
PPNO: 9892
Allocation Amount: \$6,509,000
Phase: Construction
Number of Months Requested: 20 Months
Extended Deadline: 02/29/2028
Department Recommendation: Support

Philips Siding Rehabilitation

The San Joaquin Joint Powers Authority (SJJPA) requests a 20-month time extension for the period of project allocation for the Construction (CON) phase of the Philips Siding Rehabilitation Rail project. SJJPA has experienced delays due to the coordination with Union Pacific Railroad (UPRR) on an adjacent project in the vicinity.

The project is located near Elk Grove in unincorporated Sacramento County. The project is on the UPRR Sacramento Subdivision located from mile post (MP) 121.23 and MP 122.51. The project will require replacing the southern switch (MP 121.25) with a #24 turnout and rehabilitating the existing siding to mainline track standards. The project is a necessary component of the Valley Rail Sacramento Extension, a proposed passenger rail service between Stockton and Sacramento. Once deployed, the improvements support a round trip, with service terminating in Natomas.

There have been delays to the project due to its connection with the nearby Elk Grove Station Project, which has undergone schedule changes. The original schedule reflected the Philips Siding Rehabilitation Rail project as a standalone project with no interdependency with the Elk Grove Station project. However, in April 2025, UPRR notified the agency that the Elk Grove Station track must be constructed and operational before the Philips Siding can be tied in. This sequencing will allow for certain phases of both projects to advance concurrently. The Elk Grove Station project is anticipated to be completed alongside the Philips Siding Rehabilitation Rail project in 2031.

SJJPA is working closely with UPRR to maintain progress on the Elk Grove Station schedule and coordinate the timing of both projects. SJJPA anticipates awarding the construction contract for the Philips Siding as Elk Grove Station nears substantial completion.

Environmental work was completed in October 2020. Plans, Specifications, and Estimate (PS&E) was completed 100 percent in October 2025; however, the PS&E phase remains open to support contract bid and award activities. Execution of the UPRR Construction and Maintenance Agreement is required to complete right of way, with finalization anticipated in June 2029. Construction is anticipated to start on July 2028 and to be completed by April 2031.

Therefore, SJJPA is requesting a 20-month time extension for the period of project allocation for the CON phase from June 30, 2026 to February 29, 2028.