

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(10), Action Item

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

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT  
EXPENDITURE FOR TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM  
COMPONENTS, PER TIRCP ALLOCATION POLICY  
WAIVER 26-86**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project development expenditure for two Transit and Intercity Rail Capital Program (TIRCP) (2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects 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 two TIRCP (2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects components, for the time periods as identified in the attachment.

### **BACKGROUND:**

In December 2023 and January 2024, the Commission allocated \$2,643,000 for the two components identified in the attachment. The responsible agency is unable to complete the component phases 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 explanations for the delays.

Attachment

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

Project Number: 1  
Applicant: City of Sacramento  
County: Sacramento  
District: 03  
PPNO: CP094B  
Allocation Amount: \$643,000  
Remaining Balance: \$592,967  
Phase: Project Approval and Environmental Document  
Allocation Date: 12/07/2023  
Allocation Resolution: TIRCP-2324-32  
Number of Months Requested: 20 Months  
Extended Deadline: 02/29/2028  
Department Recommendation: Support

**(2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects (Regional Bus & Mobility Hub)**

The City of Sacramento (City) requests a 20-month time extension for the period of project development expenditure for the Project Approval and Environmental Document (PA&ED) phase of the TIRCP (2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects (Regional Bus & Mobility Hub) component. The City has experienced delays in completing the PA&ED phase of the component.

The component proposes to construct a new regional bus mobility center to facilitate convenient transfers between modes of travel.

In March 2023, the City sought to obtain federal funding and started the federal environmental clearance process under the National Environmental Policy Act (NEPA). In an initial meeting with the Federal Transit Administration (FTA), it was determined that the City is not a transit agency. Therefore, FTA would require the City to formalize a subrecipient agreement with Sacramento Regional Transit (SacRT) before the NEPA process can proceed.

In September 2023, the City requested SacRT to begin the Memorandum of Understanding (MOU) process. In December 2023, the Commission allocated \$643,000 to the PA&ED phase for the Regional Bus & Mobility Hub component. SacRT then reached out to the City in January 2024 requesting additional information which was not relevant to the MOU. From mid-January to the end of May 2024, SacRT staff and their legal counsel reviewed the MOU and determined that they needed additional guidance from FTA regarding SacRT's roles and responsibilities. SacRT reached out to FTA for guidance but did not receive any feedback until mid-November 2024. A final draft MOU was submitted to SacRT for review on

December 12, 2024. With an expectation of a short approval time for the MOU with SacRT, the City began bids for environmental consultants in January 2025. By March 2025, a consultant was selected, but the City-SacRT MOU needed to be executed before moving forward with the consultant agreement.

City staff responded quickly to SacRT's requested edits and continuously pressed for timely processing, but the MOU was ultimately executed by SacRT on April 3, 2025. The execution of the MOU was delayed by 16 months. Working quickly with the consultant team, the City was able to make the first NEPA submission to FTA by mid-September 2025, only to be stalled by the federal shutdown until December. There was a 6-week delay from the time of submittal to FTA staff slowly responding to communications.

The City and its consultants are continuing to work with FTA to obtain their final approval and are nearing completion of the draft FTA Categorical Exemption. The phase is currently 30 percent complete.

Therefore, the City is requesting a 20-month time extension for the period of project development expenditure for the PA&ED phase from June 30, 2026 to February 29, 2028.

Project Number: 2  
Applicant: City of Sacramento  
County: Sacramento  
District: 03  
PPNO: CP094F  
Allocation Amount: \$2,000,000  
Remaining Balance: \$2,000,000  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 01/26/2024  
Allocation Resolution: TIRCP-2324-43  
Number of Months Requested: 15 Months  
Extended Deadline: 09/30/2027  
Department Recommendation: Support

**(2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects (Sacramento Downtown Regional Bus Stop Consolidation - Bus Stop Improvements)**

The City of Sacramento (City) requests a 15-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the TIRCP (2022:04) Sacramento Valley Station (SVS) Transit Center: Priority Projects (Sacramento Downtown Regional Bus Stop Consolidation - Bus Stop Improvements) component. The City has experienced delays in completing the PS&E phase of the component.

The component is for the design of 17 new enhanced bus stops, which will be part of a route consolidation that integrates regional commuter routes into a unified route that will serve the Sacramento Valley Station and the planned Valley Rail Midtown Station.

In January 2024, the Commission allocated \$2,000,000 to the PS&E phase of the Sacramento Downtown Regional Bus Stop Consolidation - Bus Stop Improvements component. The City went out to bid on January 30, 2024. The consultant was selected on April 4, 2024, but there were significant delays finalizing the third-party contract. There were several rounds of contract negotiations to revise and redefine the scope of work to meet budget requirements. In addition, for professional service contracts, the Public Works department requires a 28-day review period for the City Council. With sporadic availability of key personnel from the City and consultant team, the overall process to award the contract was delayed 10 months after the allocation and was awarded on October 8, 2024.

The kick-off meeting with the consultant occurred on November 19, 2024. The PS&E phase began with a survey of all 17 sites and a detailed review for each site to resolve any potential issues. The City experienced further delays while surveying the locations at 8th and O Street and at J Street. The survey at 8th and O Street was delayed due to the ongoing building and street construction at the State Capitol building. Once the construction fencing and materials

were removed in September 2025, it was determined that the site would not be a viable location due to the new building equipment that was recently constructed. The J Street location was problematic due to the poor street conditions. The City determined that the bus stops would need to be relocated, but would require additional coordination with SacRT since the bus stops would overlap. Currently, the component is 30 percent complete, and the City is working on the new locations of the bus stops and consulting with partner agencies about the design. Execution of the third-party contract was delayed 10 months, and the City anticipates the relocation of the two sites to take 5 additional months to resolve issues with property owners and complete design.

Therefore, the City is requesting a 15-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2026 to September 30, 2027.