

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(7), Action Item

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

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR A TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM
COMPONENT, PER TIRCP ALLOCATION POLICY
WAIVER 26-142**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for the Transit and Intercity Rail Capital Program (TIRCP) (2023:26) Pajaro/Watsonville Multimodal Station (Pajaro Station – Environmental) component (PPNO CP132), in Monterey County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project development expenditure for the TIRCP (2023:26) Pajaro/Watsonville Multimodal Station (Pajaro Station – Environmental) component (PPNO CP132), in Monterey County, for the time period as identified in the attachment.

BACKGROUND:

In December 2023, the Commission allocated \$2,274,000 for the Project Approval and Environmental Document phase of the TIRCP (2023:26) Pajaro/Watsonville Multimodal Station (Pajaro Station – Environmental) component (PPNO CP132). The responsible agency has been unable to complete the component 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 component and the explanation for the delay.

Attachment

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

Project Number: 1
Applicant: Transportation Agency for Monterey County
County: Monterey
District: 05
PPNO: CP132
Allocation Amount: \$2,274,000
Remaining Balance: \$1,469,240
Phase: Project Approval and Environmental Document
Allocation Date: 12/07/2023
Allocation Resolution: TIRCP-2324-32
Number of Months Requested: 12 Months
Extended Deadline: 06/30/2027
Department Recommendation: Support

(2023:26) Pajaro/Watsonville Multimodal Station (Pajaro Station – Environmental)

The Transportation Agency for Monterey County (TAMC) requests a 12-month time extension for the period of project development expenditure for the Project Approval and Environmental Document (PA&ED) phase of the TIRCP (2023:26) Pajaro/Watsonville Multimodal Station (Pajaro Station – Environmental) component. TAMC has experienced delays in completing the PA&ED phase.

The project will update the environmental documentation, expanding the California Environmental Quality Act (CEQA) coverage to reflect the larger station footprint. This update is needed to evaluate alternative designs, satisfying railroad design requirements, and position the project to qualify for federal infrastructure funding with National Environmental Policy Act (NEPA) review.

In December 2023, the Commission allocated \$2,274,000 to the PA&ED phase of the component. TAMC awarded the professional consulting contract and initiated project activities in March 2024. TAMC prepared and released a Notice of Preparation and initiated the CEQA scoping period in October 2024. The scoping period included draft conceptual station designs that allowed technical staff and the public to review potential station sites in the community of Pajaro. Following the initial existing conditions review and consideration of public and regional partner input, TAMC eliminated technically infeasible options and developed three design alternatives for further technical review. In December 2024, TAMC staff submitted draft station plans to Union Pacific Railroad (UPRR), requesting review and feedback on station location and feasibility, including track modifications and relocation of existing amenities needed to allow for shared passenger and freight rail operations. Potential needs identified by UPRR include relocating maintenance-of-way facilities located at the

junction and a small building currently used as office space. Potential solutions have been identified by TAMC through the review and design analysis process. However, engagement from UPRR is necessary to determine which solutions are feasible and acceptable.

UPRR's review and comments on the draft design plans are critical for progressing the conceptual design, environmental impact analysis, and preparation of the draft and final environmental documents. UPRR has not yet provided the formal design comments required to complete the environmental analysis, which has resulted in an approximate 16-month delay. TAMC has met regularly with UPRR representatives to request their consideration and review of the draft conceptual plans. The Department is continuously coordinating efforts for all UPRR negotiations across the state and supporting TAMC to help prioritize this review.

Given prior delays in UPRR communication and feedback, TAMC anticipates additional schedule impacts and expects multiple rounds of revisions. As the design review is the critical path for completing the environmental review and achieving CEQA and NEPA certification, TAMC is requesting additional time. With technical assistance from its consultant and the Department, TAMC is prepared to expedite remaining tasks as soon as UPRR comments are received.

Therefore, TAMC is requesting a 12-month time extension for the period of project development expenditure for the PA&ED phase from June 30, 2026 to June 30, 2027.