

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

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

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

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE TRANSIT AND INTERCITY
RAIL CAPITAL PROGRAM – (2018:19) VALLEY RAIL (NATOMAS STATION
AND LAYOVER FACILITY) COMPONENT
RESOLUTION TIRCP-2627-10S**

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$2,500,000 for the Plans, Specifications, and Estimate (PS&E) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2018:19) Valley Rail (Natomas Station and Layover Facility) component (PPNO CP035B), in Sacramento County?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission approve a request for an additional \$2,500,000 for the PS&E phase of the TIRCP (2018:19) Valley Rail (Natomas Station and Layover Facility) component (PPNO CP035B), in Sacramento County.

BACKGROUND:

In January 2021, the Commission approved an allocation of \$7,913,000 for the (2018:19) Valley Rail (Final Design) project (PPNO CP035), under Resolution TIRCP-2021-10. In June 2021, the project title was updated to (2018:19) Valley Rail (Trackwork and Stations: Lodi, City College, Midtown, Natomas Station and Layover facility and UPRR Track Work) project, under Resolution TIRCP-2021-31. In August 2022, the Commission approved an amendment to split the PS&E phase of the (2018:19) Valley Rail (Trackwork and Stations: Lodi, City College, Midtown, Natomas Station and Layover facility and UPRR Track Work) project (PPNO CP035), into seven separate components, under Resolution TIRCP-2223-02. The Natomas Station and Layover Facility component (PPNO CP035B), received \$2,331,000 for the PS&E phase as part of this split.

In August 2021, the Commission approved an additional allocation of \$14,460,000 for the PS&E phase of the (2018:19) Valley Rail (Trackwork and Stations: Lodi, Midtown, Natomas Station and Layover facility and UPRR Trackwork) project, under Resolution TIRCP-2122-01. In August 2022, the Commission approved an amendment to split the PS&E phase of the (2018:19) Valley Rail (Trackwork and Stations: Lodi, Midtown, Natomas Station and Layover facility and UPRR Trackwork) project (PPNO CP035Y), into 11 separate components, under Resolution TIRCP-2223-17. The Natomas Station and Layover Facility component (PPNO CP035B), received an additional \$425,000 for the PS&E phase as part of this split.

In May 2023, the Commission approved a 20-month time extension for the PS&E phase of the Natomas Station and Layover Facility component (PPNO CP035B) to extend the period of project development expenditure, with a deadline of February 28, 2025, under Waiver 23-62. In August 2023, the Commission approved a supplemental allocation of \$300,000 for the PS&E phase of the component (PPNO CP035B), under Resolution TIRCP-2324-09S, bringing the PS&E total to \$3,056,000. In December 2024, the Commission approved a 20-month time extension for PS&E phase of the Natomas Station and Layover Facility component (PPNO CP035B) to extend the period of project development expenditure, with a deadline of October 31, 2026, under Waiver 24-201.

PROJECT LOCATION AND DESCRIPTION:

The Natomas Station and Layover Facility component (PPNO CP035B), is located in Sacramento County on an 8.4-acre site along the eastern side of West Elkhorn Boulevard. The Natomas Station and Layover Facility are planned to be the northern terminus of the Valley Rail project, with features including a sideloaded platform, shuttle to Sacramento International Airport, and layover tracks. Once completed, the station will include an at-grade, side-loading passenger platform, and construction of a surface parking lot providing approximately 250 parking spaces and 3 bus bays. The station will also include layover tracks south of the platform to accommodate Altamont Corridor Express and San Joaquins train layovers between service runs. The layover tracks will accommodate four trains, plus one train layover at the station platform.

FUNDING STATUS:

The Natomas Station and Layover Facility component (PPNO CP035B) currently has \$3,056,000 programmed and allocated for its PS&E phase; however, an additional \$2,500,000 is needed to complete the phase. The supplemental funds will be redirected from funds originally programmed to the Construction (CON) phase of the same component.

REASON FOR THE COST INCREASE:

Additional funding is needed to complete design, driven by ongoing coordination with project stakeholders and evolving design requirements. An additional utility investigation is required to support final design. This includes new potholing in the railroad corridor, beyond the previously completed street utilities. This is necessary for the utility relocation design and will inform updates to the geotechnical report. Permitting efforts will continue with state and federal

resource agencies, which may introduce additional design requirements. The San Joaquin Regional Rail Commission has been working on further hydraulic analysis and potential design modification after property owners adjacent to the project site raised concerns regarding stormwater drainage and the need for enhanced stormwater and scour protection measures. This supplemental funding is necessary to account for design revisions, supplemental surveys and investigation needs, and access road modifications necessary for completing the project's final design.

CONSEQUENCES:

If this request for supplemental funds is not approved, the PS&E of the Natomas Station and Layover Facility component (PPNO CP035B) will be delayed until additional funding is secured to complete it. Delays in completing the PS&E phase will also result in a delay to the CON phase of the project, which could result in higher costs.

FINANCIAL RESOLUTION:

Resolved, that \$2,500,000 be allocated from the Budget Act of 2025, Budget Act Items 2660-301-0046R and 2660-101-0046, to complete the PS&E phase of the TIRCP (2018:19) Valley Rail (Natomas Station and Layover Facility) component (PPNO CP035B).

Attachment

2.6 Mass Transportation Financial Matters

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

2.6g.(11)**Supplemental Allocation - Transit and Intercity Rail Capital Program****Resolution TIRCP-2627-10S**

1	(2018:19) Valley Rail (Natomas Station and Layover Facility). A new Natomas passenger rail station and layover facility, which will be part of new passenger rail service between Stockton and Sacramento.	03-CP035B TIRCP/2019-20 PS&E			
\$2,500,000		301-0046R GGFR 30.20.301.100	\$1,035,000		\$1,035,000
San Joaquin Regional Rail Commission <u>SACOG</u> 03-Sacramento	<u>Outcome/Outputs:</u> Increase ridership through an integrated expansion of intercity and commuter rail service between Ceres, Modesto, Stockton and Sacramento, as well as between Fresno and Sacramento; and through an extension of San Jose-bound commuter rail service to Sacramento.	TIRCP/2019-20 PS&E 101-0046 PTA 30.10.030.200	\$1,296,000		\$1,296,000
	Total revised amount \$5,556,000.	TIRCP/2020-21 PS&E			
	Supplemental funds are needed to complete PS&E.	301-0046R GGFR 30.20.301.100	\$189,000		\$189,000
	CEQA - EIR, 10/02/2020	TIRCP/2020-21 PS&E			
	Future consideration of funding approved under Resolution E-20-130; December 2020.	101-0046 PTA 30.10.030.200	\$236,000		\$236,000
		TIRCP/2022-23 PS&E			
		301-0046R GGFR 30.20.301.100	\$134,000		\$134,000
		TIRCP/2022-23 PS&E			
		101-0046 PTA 30.10.030.200	\$166,000		\$166,000
		TIRCP/2025-26 PS&E			
		301-0046R GGFR 30.20.301.100		\$1,108,000	\$1,108,000
		TIRCP/2025-26 PS&E			
		101-0046 PTA 30.10.030.200 0026000192 S R682GC		\$1,392,000	\$1,392,000