

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.6g.(17), 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 (MIDTOWN STATION)
COMPONENT
RESOLUTION TIRCP-2627-16S**

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$1,545,000 for the Right of Way (RW) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2018:19) Valley Rail (Midtown Station) component (PPNO CP035E), in Sacramento County?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission approve a request for an additional \$1,545,000 for the RW phase of the TIRCP (2018:19) Valley Rail (Midtown Station) component (PPNO CP035E), in Sacramento County.

BACKGROUND:

In January 2021, the Commission approved an allocation of \$9,599,000 for the RW phase of the (2018:19) Valley Rail (Acquisition of Right of Way) component, under Resolution TIRCP-2021-10. In June 2021, the component title was updated to (2018:19) Valley Rail (Trackwork and Stations: Lodi, City College, Midtown, Natomas Station and Layover facility and UPRR Track Work), under Resolution TIRCP-2021-31. In August 2022, the Commission approved to separate the RW 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 five separate components, under Resolution TIRCP-2223-12. The (2018:19) Valley Rail (Midtown Station) component (PPNO CP035E) received \$56,000 for the RW phase as part of this split. In May 2023, the Commission approved a supplemental

allocation of \$5,650,000 for the RW phase of the component, bringing the total to \$5,706,000, under Resolution TIRCP-2223-69S. In May 2023, the Commission approved a 20-month time extension for the RW phase of the Midtown Station component (PPNO CP035E) to extend the period of project development expenditure, with a deadline of February 28, 2025, under Waiver 23-62. In December 2024, the Commission approved a 12-month time extension for the RW phase of the Midtown Station component (PPNO CP035E) to extend the period of project development expenditure, with a deadline of February 28, 2026, under Waiver 24-201. In January 2026, the Commission approved a 35-month time extension for the RW phase of the Midtown Station component (PPNO CP035E) to extend the period of project development expenditure, with a deadline of January 31, 2029, under Waiver 26-20.

PROJECT LOCATION AND DESCRIPTION:

The Midtown Station component (PPNO CP035E), is located in Sacramento County, along the Union Pacific Railroad (UPRR) Sacramento Railroad Subdivision railroad, near Q Street, between 19th Street and 20th Street and will result in the construction of a passenger rail station. The station design includes the development of construction plans for UPRR track modifications and an additional track in the vicinity of the station, a station platform, a station accessway, a plaza area, and station entrances which have new pedestrian signalized crosswalks at the at-grade highway-rail crossings at 19th Street and Q Street.

FUNDING STATUS:

The Midtown Station component (PPNO CP035E) currently has \$5,706,000 programmed and allocated for its RW phase; however, an additional \$1,545,000 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 for RW activities, to execute two Construction and Maintenance (C&M) agreements, advance the project to an advertisement-ready Invitation for Bid package, complete temporary and permanent easements, and obtain encroachment permits. The San Joaquin Regional Rail Commission (SJRRC) will enter into a C&M agreement with Sacramento Regional Transit (SacRT) and another with UPRR to address signal work at 19th Street and key station elements. Furthermore, SacRT's Project Agreement, will define construction coordination, access, roles, and responsibilities of each party involved.

SJRRC is coordinating with the City of Sacramento to obtain a Major Encroachment Permit for construction within city right-of-way. This permit will include work related to the station entrance and plaza, 19th Street and Q Street roadway improvements, wayfinding signage, utility improvements, and water service connections. Along with this permit, SJRRC staff are working on receiving the City's approval on the California Public Utility Commission General Order 88-B application which is a C&M agreement required for roadway design completion, as well as preparing permit applications for Section 401 and Section 404 for the Regional Water Board and United States Army Corps of Engineers.

SJRRC is also working with utilities on an encroachment permit from the Sacramento Municipal Utility District (SMUD) which is required to authorize construction impacts near SMUD facilities. Agreements with private utility owners, COGENT/Sprint and Comcast, are also in progress to establish Construction Reimbursement Agreements for inspection oversight and communications service during construction. Due to the project's location, both permanent and temporary construction easements are required from adjacent property owners, SacRT and Capital Rubber. These funds would help acquire these permits in order to stage and store materials, as well as relocate an existing city waterline that is crossing the station platform and UPRR tracks. Lastly, several agreements are required to be made with UPRR including a drainage agreement, waterline construction and Q Street crossing agreements, work to remove existing leases and easements within UPRR right-of-way, and an amendment to existing right-of-way agreements. This coordination with UPRR, SacRT, City of Sacramento, SMUD, COGENT/Sprint, Comcast, and local businesses is ongoing and necessary to complete the RW phase.

CONSEQUENCES:

If this request for supplemental funds is not approved, the RW phase of the Midtown Station component (CP035E) will be delayed until additional funding is secured for completion. Delays in completing the RW phase will also result in a delay to the CON phase of the project, which could result in higher costs.

FINANCIAL RESOLUTION:

Resolved, that \$1,545,000 be allocated from the Budget Act of 2025, Budget Act Items 2660-301-0046R and 2660-101-0046, to complete the RW phase of the TIRCP (2018:19) Valley Rail (Midtown Station) component (CP035E).

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
District-County	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.(17)**Supplemental Allocation - Transit and Intercity Rail Capital Program****Resolution TIRCP-2627-16S**

1	(2018:19) Valley Rail (Midtown Station). A new Midtown passenger rail station, which will be part of new passenger rail service between Stockton and Sacramento.	03-CP035E			
\$1,545,000		TIRCP/2019-20			
		R/W			
San Joaquin	<u>Outcome/Outputs:</u> Increase ridership through an integrated expansion of intercity and commuter rail service between	301-0046R GGRF	\$25,000		\$25,000
Regional Rail	Ceres, Modesto, Stockton and Sacramento, as well as between	30.20.301.100			
Commission	Fresno and Sacramento; and through an extension of San	TIRCP/2019-20			
<u>SACOG</u>	Jose-bound commuter rail service to Sacramento.	R/W			
03-Sacramento		101-0046 PTA	\$31,000		\$31,000
		30.10.030.200			
	Total revised amount \$7,251,000.				
		TIRCP/2021-22			
	Supplemental funds are needed to complete Right of Way.	R/W			
		301-0046R GGRF	\$2,511,000		\$2,511,000
	CEQA - EIR, 10/05/2020	30.20.301.100			
		TIRCP/2021-22			
	Future consideration of funding approved under	R/W			
	Resolution E-20-130; December 2020.	101-0046 PTA	\$3,139,000		\$3,139,000
		30.10.030.200			
		TIRCP/2025-26			
		R/W			
		301-0046R GGRF		\$685,000	\$685,000
		30.20.301.100			
		TIRCP/2025-26			
		R/W			
		101-0046 PTA		\$860,000	\$860,000
		30.10.030.200			
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