State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

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

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

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT DEVELOPMENT EXPENDITURE FOR A LOCALLY-ADMINISTERED TRAFFIC CONGESTION RELIEF PROGRAM PROJECT**
WAIVER 26-188, AMENDING WAIVER 25-46

ISSUE:

Should the California Transportation Commission (Commission) amend the period of project development expenditure for the locally-administered Traffic Congestion Relief Program (TCRP) Rail Extension to Monterey County, Package 2 (Salinas Layover Facility) project (PPNO 1155B), in Monterey County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission amend the period of project development expenditure for the locally-administered TCRP Rail Extension to Monterey County, Package 2 (Salinas Layover Facility) project (PPNO 1155B), in Monterey County, for the time period as identified in the attachment.

BACKGROUND:

In September 2006, $14,742,000 in TCRP funds were allocated to the project's Right of Way (RW) phase and $4,258,000 for the Plans, Specifications, and Estimate (PS&E) phase. Since then, both phases have experienced unexpected delays caused by Union Pacific Railroad (UPRR). UPRR has a separate PS&E approval process, and the RW phase cannot be completed until the final PS&E plans are approved by UPRR.

In June 2022, the Commission approved a 14-month time extension for the RW phase of the project. However, the agency could not meet the Last Expenditure Date deadline of August 31, 2023.

In August 2023, the Commission approved an amendment for an additional 20 months to extend the period of project development expenditure, with the deadline of April 30, 2025. Again, delays caused by UPRR resulted in the agency being unable to meet that deadline.

In March 2025, the Commission approved an amendment for an additional 17 months to extend the period of project development expenditure, with the deadline of September 30, 2026. The responsible agency will be unable to meet this deadline, and is requesting a time extension amendment for an additional 20 months to complete the RW phase.

The TCRP Close-out Policy, under Resolution G-17-13, states that the Commission will use State Transportation Improvement Program Timely Use of Funds Guidelines for allocations approved after the enactment of Senate Bill 1. The attachment describes the details of the project and the explanation for the delays.

Attachment

Amendment Time Extension/Waiver – Project Development Expenditure
Traffic Congestion Relief Program

Project Number: 1
Applicant: Transportation Agency for Monterey County
County: Monterey
District: 05
PPNO: 1155B
Allocation Amount: $14,742,000
Remaining Balance: $519,682
Phase: Right of Way
1st Waiver: Waiver 22-104
Approved: June 2022
2nd Waiver: 23-143
Approved: August 2023
3rd Waiver: Waiver 25-46
Approved: March 2025
Number of Months Requested: ~~14 Months~~ ~~34 Months~~ ~~51 Months~~ **71 Months**
Extended Deadline: ~~08/31/2023~~ ~~04/30/2025~~ ~~09/30/2026~~ **05/31/2028**
Department Recommendation: Support

Rail Extension to Monterey County, Package 2 (Salinas Layover Facility)

The Transportation Agency for Monterey County (TAMC) is requesting an additional 20 months, from 51 months to 71 months, for the period of project development expenditure for the Right of Way (RW) phase of the Rail Extension to Monterey County, Package 2 (Salinas Layover Facility) project. TAMC has experienced unexpected delays with Union Pacific Railroad (UPRR), which has prolonged the completion of the project's RW phase. TAMC is required to coordinate with UPRR for the review and approval of their final design plan documents. This pending approval has also caused a delay in the negotiations for leases, easements, or purchase of the land parcels owned by UPRR, which are needed for the Salinas Layover Facility project.

This project will enhance mobility for Monterey County and Santa Cruz County residents and visitors. Package 2 will construct the Salinas train layover facility along with additional commuter parking in Salinas, track access rights, and track improvements between Salinas and Gilroy.

The primary delay on the project has been TAMC's need to acquire a lease or easement for land parcels owned by UPRR, which will allow TAMC access to the land and track connections to construct and connect the Salinas Layover Facility. However, before negotiation and execution of a lease or easement, UPRR requires review, revision and approval of the PS&E design plans for the project. TAMC completed 100 percent design documents and are using local funds to complete revisions requested by UPRR. UPRR has an incremental process for approving design plans; they must approve plans at 10 percent, 25 percent, 30 percent, 90 percent plans, and finally 100 percent design approval that integrates comments from previous revisions. At every review level, UPRR has required multiple revisions before approval to move into the next stage of plan review. UPRR allows TAMC to begin negotiations with their real estate division at the 90 percent design

plan review stage. The agreement which comes from those negotiations will ultimately allow TAMC to achieve RW Certification, after UPRR has approved design plans at the 100 percent level.
The June 2022 time extension was necessitated by delays in obtaining final design approval from Caltrain and UPRR as well as challenges in acquiring the parcels owned by private entities and UPRR. With this extension, TAMC successfully negotiated settlements for 17 private parcels and initiated condemnation proceedings on the other 4 remining parcels. Progress was also made toward securing lease agreements for five UPRR-owned parcels.

The August 2023 time extension addressed ongoing delays in UPRR's review and approval of design documents, as well as continued difficulties in acquiring or negotiating lease agreements for the five UPRR-owned land parcels. This extension enabled TAMC to contract with two specialized firms with experience in acquiring properties from UPRR to assist with the five land parcel acquisitions. TAMC also negotiated design review and capacity modeling agreements with UPRR with assistance from the Department and the California State Transportation Agency (CalSTA). In December 2023, TAMC received feedback from UPRR on the 10 percent design submittal, prompting revisions through winter 2024. By April 2024, UPRR approved the 10 percent design documents, allowing TAMC to advance to the 25 percent design plan stage. TAMC incorporated UPRR's comments and submitted the 25 percent design package in August 2024, followed by further revisions and final resubmission in January 2025.

The March 2025 time extension was prompted by UPRR's incremental review process for design approvals. This additional time allowed TAMC to secure approval of the revised 25 percent design plans from UPRR's Engineering Department. In May 2025, UPRR held a site visit and authorized TAMC to proceed to the 30 percent design stage. In July 2025, TAMC began bi-weekly coordination calls with UPRR's consultants, receiving extensive feedback that informed the development and approval of the 30 percent plans. Through the fall of 2025, continuing through winter 2026, the 30 percent plans underwent several rounds of revision.

While addressing feedback from UPRR on the 25 percent plans, TAMC's design team encountered unexpected requirements. These included conducting a new truck movement and signal preemption analysis at 10th Street and Monterey Street in Gilroy, which was completed in October 2025, as well as arranging for drilling work within UPRR's right of way. To fulfill the drilling requirement, TAMC issued a bid in November 2025, executed a contract in December 2025, and expects the drilling to finish by September 2026. These unforeseen tasks required significant staff resources, resulting in fewer hours available for revising the 30 percent design plan and slowing progress. Despite these challenges, the design team completed all revisions requested by UPRR in early 2026, leading to the final submission of the 30 percent plans by TAMC's contractor Henningson, Durham, and Richardson, in April 2026. With UPRR approving the 30 percent plans in June 2026, TAMC was able to proceed with the 90 percent design review. However, ongoing review processes by UPRR continued to delay negotiations for leases, easements, or purchase of the five UPRR-owned land parcels required for the Salinas Layover Facility project.

The acquisition of the UPRR-owned parcels is the critical path to receiving RW Certification. UPRR's real estate division cannot begin negotiations with TAMC until the project has reached the 90 percent design stage. Meanwhile, TAMC continues to coordinate with CalSTA, the Department and UPRR on design review, operations, track rights, and has requested that UPRR prioritize the review of their design plans. TAMC delivered the 90 percent design plans to UPRR at the end of July 2026. TAMC and their contracted land acquisition firms are now allowed to begin discussions with the UPRR real estate division regarding property impacts related to the Salinas Layover Facility project. TAMC's schedule projects several months of revisions with UPRR, then approval of the 90 percent plans in April 2027, at which time UPRR will allow progressing into the 100 percent design plan review stage. Although the current schedule anticipates completion of RW Certification by October 2027, TAMC is requesting additional time to account for further unforeseen delays.

Therefore, TAMC is requesting an additional 20 months for the period of project development expenditure for the RW phase from September 30, 2026 to May 31, 2028.