

MEMORANDUM

TAB 113

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 16-17, 2023

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.6g.(18), Action Item – **YELLOW MEETING HANDOUT**

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM – (2016:9) PENINSULA CORRIDOR ELECTRIFICATION PROJECT: (ELECTRIFY CALTRAIN CORRIDOR) COMPONENT RESOLUTION TIRCP-2324-13S**

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$280,250,000 for the Construction (CON) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor) component (PPNO CP022A), in various counties?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission approve a request for an additional \$280,250,000 for CON phase of the TIRCP (2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor) component (PPNO CP022A), in various counties.

BACKGROUND:

In June 2017, the Commission approved an allocation of \$20,000,000 for the (2016:9) Peninsula Corridor Electrification Project: (PPNO CP022). In May 2023, under Resolutions TIRCP-2223-58 and TIRCP-2223-59, the Commission approved to separate the original allocation into two components to allow the Peninsula Corridor Electrification Project – Procurement of Electric Multiple Vehicles component (CP022), to continue drawing down the existing \$20,000,000 allocated to procure electric multiple unit vehicles and create the Electrify Caltrain Corridor component (PPNO CP022A).

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PROJECT LOCATION AND DESCRIPTION:

The (2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor) component (CP022A), is located in the counties of San Francisco, San Mateo, and Santa Clara and will result in the modernization and electrification of 51 miles of the existing Caltrain corridor. This component promotes the agencies transition away from diesel service to clean electric powered trains reducing greenhouse gas emissions and provides direct benefits to communities along the service corridor.

FUNDING STATUS:

The current total programmed amount for the CON phase of the Electrify Caltrain Corridor component (PPNO CP022A) is \$0. None of the Cycle 2 TIRCP funds were allocated to this component because the Procurement of Electric Multiple Unit Vehicles (PPNO CP022), component has spent most of the TIRCP funds. However, to complete the Electrify Caltrain Corridor (PPNO CP022A) component's CON phase, additional funding of \$280,250,000 is needed to cover the increase in construction. This supplemental allocation will be funded through the Cycle 6 General Fund Augmentation.

REASON(S) FOR THE COST INCREASE:

The Peninsula Corridor Joint Powers Board (PCJPB) has experienced cost increases to the overall project due to unforeseen site conditions and schedule delays. In 2016, PCJPB received their 2016 TIRCP award along with additional funds to maintain Federal Capital Investment Grant (Core Capacity) funds. In May 2017, PCJPB was awarded a Full Funding Grant Agreement which requires the agency to provide a Recovery Plan. In June 2021, PCJPB conducted a cost analysis that resulted in the project cost increasing from \$1.98 billion to \$2.44 billion. To mitigate this cost increase, PCJPB secured additional State and federal funding for the project. PCJPB was also awarded additional TIRCP funding from the Cycle 6 General Fund Augmentation which will assist PCJPB in maintaining federal funding and ensure electric infrastructure is ready for service by 2024.

When the original allocation was split, none of the allocated funds were assigned to the Electrify Caltrain Corridor (PPNO CP022A) component. This supplemental allocation will fund the electrification of the corridor to accommodate future and existing rail corridor tenants.

CONSEQUENCES:

Without this supplemental allocation of \$280,250,000, the (2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor) component (PPNO CP022A), will result in a delay to completing the project, which could result in higher costs and PCJPB potentially pausing the overall project to repay federal funding.

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FINANCIAL RESOLUTION:

Be it Resolved, that an additional \$280,250,000 be allocated from the Budget Act of 2023 to complete the CON phase of the TIRCP (2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor) component (PPNO CP022A), in various counties.

Attachment

2.6 Mass Transportation Financial Matters

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

2.6g.(18) Supplemental Allocation - Transit and Intercity Rail Capital Program

Resolution TIRCP-2324-13S

\$280,250,000	(2016:9) Peninsula Corridor Electrification Project: (Electrify Caltrain Corridor).	04-CP022A		
Peninsula Corridor Joint Powers Board	Construction of infrastructure for the electrification of the Caltrain Corridor between San Jose and San Francisco. Supplemental funds are needed to complete construction.	TIRCP/2016-17		
<u>MTC</u>		CONST		
04-Variou		301-0046R	\$0	\$0
		PTA		
	CEQA - EIR, 2/1/2014	30.20.301.100		
	NEPA - Revalidation of FONSI, 3/30/2019			
	Future consideration of funding approved under Resolution E-16-93; December 2016.	TIRCP/2023-24		
		CONST		
		301-0046R	\$280,250,000	\$280,250,000
		GF		
	Total revised amount \$280,250,000	30.20.301.100		
		0023000210		
		S		
	Supplemental funds are needed to complete construction.			
	Initial allocation of \$20,000,000 was approved under Resolution TIRCP -1617-10 in June 2017. \$0 of this initial allocation was separated to this component under TIRCP-2223-58 in May 2023.			
	Project is located in San Francisco, San Mateo , and Santa Clara Counties.			
	In January 2023, this project was awarded \$367,000,000 Cycle 6 General Fund Augmentation funding. The split of the Cycle 6 funding: \$86,750,000 for Procurement of Electric Multiple Unit Vehicles component and \$280,250,000 for Electrify Caltrain Corridor component.			