

Memorandum

To: Chair and Commissioners

Date: February 24, 2008

From: JOHN F. BARNA, JR.

File: Reference No. 2.1c(5b)
Action Item

Ref: Trade Corridors Improvement Fund (TCIF) – Program Amendment and Project Baseline Agreement Amendment

ISSUE: Should the Commission approve the proposed TCIF Program Amendment and the TCIF Project Baseline Agreement Amendment to increase the scope of TCIF Project 9: *Sacramento Track Relocation Project* and program an additional \$5.26 million TCIF to support this increase in scope?

RECOMMENDATION: Commission staff recommends that the Commission approve the proposed TCIF Program Amendment and the TCIF Project Baseline Agreement Amendment to increase the scope of TCIF Project 9: *Sacramento Track Relocation Project* and program an additional \$5.26 million TCIF to support this increase in scope.

BACKGROUND: The Northern California Trade Corridors Coalition (NCTCC), in conjunction with the City of Sacramento, proposes to amend the TCIF Program and the TCIF Project Baseline Agreement for TCIF Project 9: *Sacramento Track Relocation Project* by increasing the scope of the project to include the Old Sacramento-Central Shops (West) Tunnel and requesting the Commission to program an additional \$5.26 million of TCIF to support this increase in scope (see attached letter dated February 10, 2009). The NCTCC is requesting the Commission to program the additional \$5.26 million TCIF to the *Sacramento Track Relocation Project* from the amount deprogrammed from the *Track and Tunnel Improvements at Donner Summit*.

Per the various Track Relocation agreements, Union Pacific Railroad has required that all future crossings of the relocated tracks be constructed at the time of the *Sacramento Track Relocation Project*. The West Tunnel will provide an important connection between Old Sacramento and the Railyards development north of the relocated tracks. The original concept for the West Tunnel project was to reuse the existing historic tunnel used by railroad workers and extend it to the north. After the TCIF program was adopted, a structural analysis of the existing tunnel was completed and it was found to be structurally inadequate to meet the load requirements of the active mainline railroad tracks that would cross above the tunnel, thus requiring significant structural reinforcement work. The *Sacramento Track Relocation Project* scope has been expanded to include a new 20 foot wide lighted West Tunnel with a higher ceiling height and can

accommodate pedestrians, bicyclists, and potential transit vehicles. The cost estimate for the West Tunnel is \$10.53 million and the City of Sacramento is requesting an additional \$5.26 million TCIF for this additional scope. The addition of the West Tunnel increases the total project cost estimate to \$62.1 million and the total TCIF to \$25.26 million. The additional of the West Tunnel does not change the delivery dates of the project.

The NCTCC supports the City of Sacramento's request to amend the scope of the *Sacramento Track Relocation Project* and to add \$5.26 million in TCIF to the project to fund this additional scope (see attached letter dated February 24, 2009).



DEPARTMENT OF
TRANSPORTATION

CITY OF SACRAMENTO
CALIFORNIA

915 I STREET
ROOM 2000
SACRAMENTO, CA
95814-2604

OFFICE OF THE DIRECTOR

PH 916-808-7100
FAX 916-808-5573

February 10, 2009

John Barna, Executive Director
California Transportation Commission
Mail Station 52, Room 2222
1120 N Street
Sacramento, CA 95814

Dear Mr. Barna:

In April 2008, the California Transportation Commission (CTC) approved \$20 million in Trade Corridor Improvement Funding (TCIF) for the Sacramento Railyards Track Relocation (Track Relocation) project. Since then, the City of Sacramento has completed preliminary design and the draft Environmental Assessment is about to be circulated for public review. The purpose of this letter is to request an amendment to the TCIF Program and the Track Relocation Project Baseline Agreement. The City is proposing to increase the scope of the Track Relocation Project to include the Old Sacramento-Central Shops (West) Tunnel and requesting the CTC to program an additional \$5.26 million of TCIF to support this increase in scope.

Per the various Track Relocation agreements, Union Pacific Railroad has required that all future crossings of the relocated tracks be constructed at the time of the Track Relocation project (exhibit enclosed showing the various future crossings). The City of Sacramento and S. Thomas Enterprises of Sacramento, LLC, the Railyards developer, have partnered to obtain funding for the various crossings. When we made our original application for TCIF funding, we provided a funding plan for the over crossings and tunnels that intersected with the relocated track property. The West Tunnel was not included in the Track Relocation project description or funding plan submitted with the original application.

The West Tunnel will provide an important connection between Old Sacramento, future Railroad Museum uses in the Central Shops area, and the Railyards development north of the relocated tracks. The original concept for the West Tunnel project was to reuse the existing historic tunnel used by railroad workers and extend it to the north. When the City of Sacramento shared the concept with Union Pacific Railroad, rail operators, California State Railroad Museum, the Downtown Sacramento Partnership, and Old Sacramento property owners, the original plan was deemed inadequate because the

existing tunnel was considered too narrow, dark, and unsafe. After the TCIF program was adopted, a structural analysis of the existing tunnel was completed and it was found to be structurally inadequate to meet load requirements of the active mainline railroad tracks that would cross above the tunnel, thus requiring significant structural reinforcement work. The Track Relocation project scope has been expanded to include a new 20' wide lighted West Tunnel with a higher ceiling height and can accommodate pedestrians, bicyclists, and potential transit vehicles. The cost estimate for the West Tunnel is \$10.53 million and we are amending our TCIF application to request an additional \$5.26 million for the scope change. The match will be provided by local and private funds.

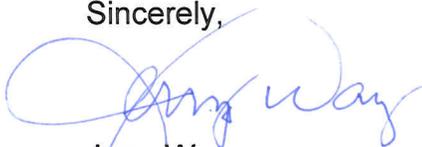
The West Tunnel is critical to the successful completion of the Track Relocation project and is consistent with the TCIF program objectives. The project provides goods movement benefits for freight, improved passenger train operations, overall safety benefits, and many other benefits already described in our original TCIF application.

The Track Relocation project is on schedule to commence construction in 2009. The City of Sacramento is continuing to seek additional federal funds for construction. We have secured \$392,000 of federal Section 9002 Rail Relocation funds and have applied for an additional \$5 million through the Federal Railroad Administration. The Track Relocation project is included in the region's Federal Economic Stimulus list but nothing is certain. If we are unable to find funding for the West Tunnel and other added scope items, the Track Relocation project could be delayed. This could in turn delay construction of the surrounding roads and utilities which are funded by Propositions 1B and 1C and jeopardize the entire Railyards development.

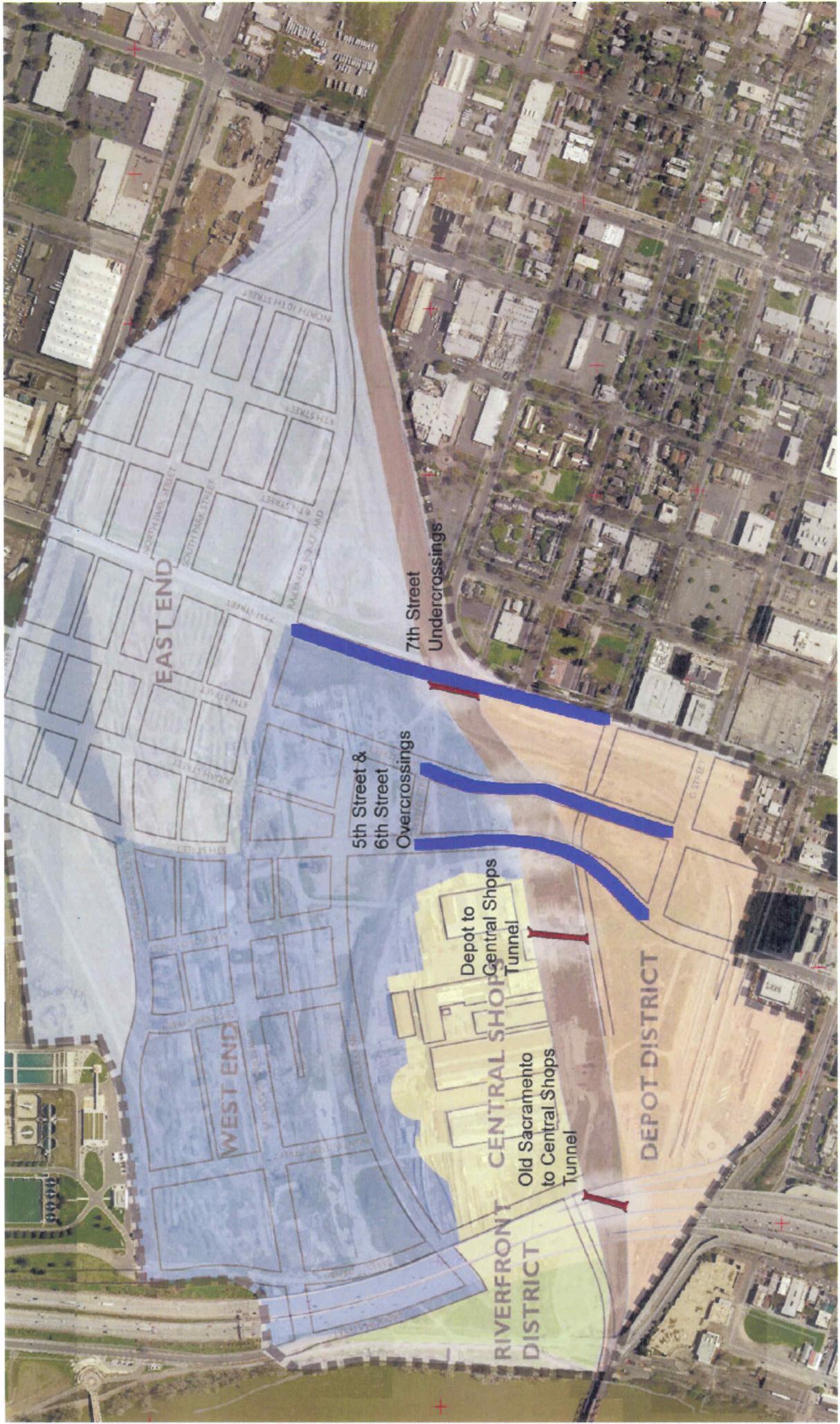
The addition of the West Tunnel increases the project cost estimate to \$62.1 million. We are requesting \$5.26 million for the West Tunnel, which amends the total TCIF request to \$25.26 million. This additional project scope is "part and parcel" of the overall track relocation project, and is absolutely necessary to make this project a success.

If you have any questions about the revised Track Relocation project request, please contact Fran Halbakken at (916) 808-7194.

Sincerely,



Jerry Way
Director of Transportation



EAST END

WEST END

RIVERFRONT DISTRICT

CENTRAL SHOPS

DEPOT DISTRICT

5th Street & 6th Street Overcrossings

7th Street Undercrossings

Depot to Central Shops Tunnel

Old Sacramento to Central Shops Tunnel

NORTH 14TH STREET
NORTH 13TH STREET
NORTH 12TH STREET
NORTH 11TH STREET
NORTH 10TH STREET
NORTH 9TH STREET
NORTH 8TH STREET
NORTH 7TH STREET
NORTH 6TH STREET
NORTH 5TH STREET
NORTH 4TH STREET
NORTH 3RD STREET
NORTH 2ND STREET
NORTH 1ST STREET

NORTHEAST RIVER
SOUTHEAST RIVER

WEST RIVER
MID RIVER
EAST RIVER

CENTRAL



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TTY/TDD 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Bill Dodd, Chair
Napa County and Cities

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and Urban Development

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Cities of Alameda County

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U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

Steve Kinsey
Marin County and Cities

Sue Lempert
Cities of San Mateo County

Jake Mackenzie
Sonoma County and Cities

Jon Rubin
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and Housing Agency

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Solano County and Cities

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Ann Flemer
Deputy Executive Director, Operations

Andrew B. Frenier
Deputy Executive Director,
Bay Area Toll Authority

Therese W. McMillan
Deputy Executive Director, Policy

February 24, 2009

Mr. John Barna
Executive Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Dear Mr. Barna,

The Northern California Trade Corridors Coalition (Coalition) is in support of the City of Sacramento's request to amend the scope of the Sacramento Intermodal Track Relocation project and to add \$5.26 million in TCIF funds to the project for the new scope element. We respectfully request your concurrence with these changes.

We understand that if approved by the California Transportation Commission, \$5.26 million of the \$43 million originally programmed for the now withdrawn Track and Tunnel Improvements at Donner Summit project will be transferred to the Sacramento Intermodal Track Relocation project.

Should you have any questions or comments, please contact me (510-817-5830) or Carolyn Clevenger of my staff at (510) 817-5736 or cclevenger@mtc.ca.gov. As always, many thanks from our Coalition for the tremendous support and guidance provided by Maura Twomey and Andre Boutros of your staff as we work to advance the TCIF program.

Sincerely,

Therese W. McMillan

Cc: Northern California Coalition agencies
Maura Twomey, CTC

TM: CC

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