

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	10/07/19	Open	Action	10/02/19

Subject: Programming Proposition 1A High Speed Rail Funding to the Light Rail Modernization Project and Seeking Future Funding for SVS Loop

## ISSUE

Options for programming SacRT's unused Proposition 1A (Prop. 1A) High Speed Rail funding.

## RECOMMENDED ACTION

Adopt Resolution No. 19-10-\_\_\_\_\_, Repealing Resolution Nos. 17-06-0088 and 18-09-0101, and Approving the Programming of Up to \$29.6 Million of Proposition 1A High Speed Rail Funding for the New Low-Floor Light Rail Vehicles (LRVs) and Related Station Modifications

## FISCAL IMPACT

The Light Rail Modernization project is in need of at least \$29.6 million to fund light rail vehicles and station modifications needed to operate a low floor fleet. Without this programming of funding, the project will be significantly delayed resulting in cost increases, and jeopardizing future funds.

## DISCUSSION

At the September 23<sup>rd</sup> meeting, Board members asked staff to return on October 7<sup>th</sup> with options for spending the remaining \$29 million in Prop. 1A High Speed Rail funds, including options for spending the funds on either the Light Rail Modernization project and/or on the Sacramento Valley Station (SVS) Loop project because the Prop 1A funds originally were allocated to the SVS Loop project. The Board further requested that, if one or the other cannot be funded through the \$29 million of Prop. 1A, staff present alternative funding options for the unfunded activities.

Based on the criteria set out in the Prop. 1A guidelines, this project is a perfect match, as this will be used to meet SacRT's most imminent need, which is light rail replacement vehicles. Additionally, the requirement to spend the Prop. 1A in a timely manner is critical as there is potential language to sunset the Prop. 1A program. Assigning the Prop. 1A to the Light Rail Modernization Project would be beneficial to SacRT's operations as it will allow SacRT to continue its mission of providing reliable, safe, and clean vehicles for the public to benefit from. These new vehicles would also reduce the increasing maintenance and operational costs associated with having an old, unreliable fleet.

However, the SVS Loop is also very important to the agency's system wide goals and the congestion in the downtown area. Therefore, staff has identified three different future funding opportunities for which the SVS Loop project would be very competitive. These three options are as follows:

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Approved:

Presented:

Final 10/02/19

General Manager/CEO

VP, Finance/CFO

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1. Apply for State funds for the Transit and Intercity Rail Capital Program (TIRCP)
2. Apply for U.S. Department of Transportation (USDOT) Better Utilizing Investments to Leverage Development (BUILD) Program
3. Work with Sacramento Area Council of Governments (SACOG) to pursue future Regional Funding Program

**Recommended Action**

SacRT staff recommends that the Board repeal Resolutions No. 17-06-0088 and 18-09-0101, and approve the programming of up to \$29.6 million of Prop. 1A funding for new low-floor LRVs and station conversions.

RESOLUTION NO. 19-10-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 7, 2019

**REPEALING RESOLUTION NOS. 17-06-0088 AND 18-09-0101, AND APPROVING  
THE PROGRAMMING OF UP TO \$29.6 MILLION OF PROPOSITION 1A HIGH  
SPEED RAIL FUNDING FOR NEW LOW-FLOOR LIGHT RAIL VEHICLES (LRVS)  
AND STATION CONVERSIONS**

WHEREAS, on June 12, 2017, the Board approved Resolution No. 17-06-0088, approving the programming of \$25 Million of Proposition 1A High Speed Rail Funding for the Downtown/Riverfront Streetcar Project with the understanding that the City of Sacramento would work with SacRT to: 1) fund the project costs for the Sacramento Valley Station (SVS) Loop; 2) work with SacRT to find a location for future storage track; and, 3) work with SacRT to obtain dedicated transit funding for SacRT's strategic initiatives; and

WHEREAS, Resolution No. 17-06-0088 specified that Staff may not request an allocation of the Proposition 1A High Speed Rail Funding for the Downtown/Riverfront Streetcar Project until a Small Starts Grant Agreement for the Project has been executed with the Federal Transit Administration (FTA) and \$30 million in funding has been allocated by the California Transportation Commission (CTC) from the Transit and Intercity Rail Capital Program (TIRCP); and

WHEREAS, on September 24, 2018, the Board amended Resolution No. 18-09-0101 to permit Staff to request an allocation of \$3.5 million in Proposition 1A funds from the CTC for the Downtown Riverfront Streetcar Project in advance of receipt of a Small Starts Grant Agreement and allocation of TIRCP funding; and

WHEREAS, Resolution No. 18-09-0101 restricted SacRT Staff from authorizing the commitment or expenditure of any portion of the Proposition 1A funds without a subsequent action by the Board; and

WHEREAS, Resolution No. 18-09-0101 conditioned any further Board action to authorize commitment or expenditure of the Proposition 1A funding on the following actions:

1. That the City of Sacramento, City of West Sacramento, and The Riverfront Joint Powers Authority (JPA) enter into an agreement to reimburse SacRT if the use of any or all of the \$3.5 million of Proposition 1A funding is deemed ineligible by Caltrans or the CTC, requiring SacRT to repay the State for the ineligible portion and indemnify SacRT for any other actions the CTC or Caltrans might take related to use of the funds, including actions that might be taken if the Project is ultimately abandoned.
2. That the JPA Board consider/approve the request of the SacRT Board to add direct SacRT representation to the JPA Board.

3. That construction bids for the Project are received and either: (a) the bids will allow the Project to be completed within the budgeted amount; or (b) the Cities and the JPA enter into amendments to the governance documents that will fully fund the Project with a revised budget; and

WHEREAS, the Downtown/Riverfront Streetcar Project is on hold at this time while alternative projects are being considered; and

WHEREAS, CTC staff has suggested that SacRT should request an allocation of Prop. 1A funds and deliver its Prop. 1A project expeditiously.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Resolution Nos. 17-06-0088 and 18-09-0101 are hereby repealed; and

THAT, the Board approves the programming of up to \$29.6 million of Proposition 1A High Speed Rail funding for new low-floor light rail vehicles and station conversions.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary