

STAFF REPORT

DATE: January 8, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: MOTION TO RECONSIDER BOARD VOTE ON ITEM 7.1 DOS RIOS LIGHT RAIL STATION PROJECT TAKEN NOVEMBER 13, 2023

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This item contains two separate motions. If the Motion to Reconsider is approved by the Board, then the Board will be asked to rescind the November 13, 2023 vote and approve a motion to direct staff to fully fund the construction of the Dos Rios Light Rail Station Project and move the Project forward as originally planned, meeting Strategic Growth Council (SGC) guidelines.

FISCAL IMPACT

The Project has a current total estimated cost of \$41.8 to \$43M which is included in SacRT's FY 24 Capital Plan. SacRT has a total of \$33.8M in available funding, which includes the confirmed allocation of \$10M in SB125 requested by SacRT and approved by the SACOG Board on December 11th, leaving an estimated funding shortfall of \$8M to \$9.2M.

Prior to the December 11, 2023 SacRT Board of Directors meeting, Vice Chair Rick Jennings provided additional information on options to fill the remaining estimated funding shortfall and status of the Project based on discussion with Senator Angelique Ashby. Senator Ashby has agreed to support SacRT's proposal to request State of California Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 funding, which will be submitted in March 2024. Furthermore, Senator Ashby has agreed to assist SacRT in seeking additional State funding to the extent such funds are available and are deemed necessary to address cost overruns or shortfalls. SacRT staff has also been evaluating and planning to apply for other grant programs that may provide funding for the project, including the U.S. Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program as potential sources for funding the gap. SacRT staff is continuing to perform value engineering to find cost efficiencies that could lower the estimated project costs.

DISCUSSION

At the SacRT Board's November 13, 2023 meeting, staff presented information regarding the Dos Rios Light Rail Project and informed the Board of the Project's \$19.2M funding gap. At that time, SacRT had secured \$23.8M for the Project, with an estimated cost of \$43M. Staff requested direction from the Board regarding whether to direct capital dollars to fill the gap or to pursue a substitute path forward. The staff report Item 7.1 from November 13th is included in this report as Attachment 1. In that staff report, the Board was presented with three options:

1. Request an allocation of \$10M in SacRT's SB125 funds and use approximately \$9.2M of SacRT's other funds to fully fund the Dos Rios Light Rail Station Project.
2. Direct SacRT staff to allocate a portion of its SB125 and other funds to fund up to ½ of the shortfall of approximately \$19.2M through SacRT's SB125 allocation and continue to seek partnership on the remaining ½ from other partners.
3. Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission buses, frequent service, while continuing to pursue new grant funding for the station in the future.

After significant discussion and public comments, the Board voted to move forward with the substitute project that includes the implementation of increased bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission buses, while continuing to pursue new grant funding for the station in the future.

Since the Board took that action, a number of developments have unfolded prompting Vice Chair Jennings to make a formal request to the Board Chair to have the Board reconsider the motion that was approved at the November 13, 2023 Board meeting, and asking the Board to consider an alternative motion that will allow the Light Rail Station Project to proceed at this time. The Board Chair approved the request to place this item on the Board Agenda for December 11th; however, the Board felt that they did not have enough time or information to fully consider the recent developments at that time and requested that the item be continued to January 2024. Since that meeting, staff has developed a more detailed report, which will provide the Board with the requested additional information to inform their decision.

Motion to Reconsider

Pursuant to Roberts Rule of Order, for the Board to reconsider a vote taken at a previous meeting of the board, two factors must be present. First, the director making the motion must have voted **for** the motion that passed. Second, the motion to reconsider must be prompted because there is new information that, had it been known at the time of the Board meeting, might have affected the vote. In this instance, Director Jennings voted for the motion the Board approved, making him eligible to make a motion to reconsider. Second, there is new information that could influence a different outcome from the vote taken in November.

The following developments have unfolded since the November 13th vote:

1. Deadline Extension and Grant Compliance

Prior to December 1st, SHRA requested from the Strategic Growth Council (SGC) an extension of the deadline for a corrective action plan and path forward for the Project. On December 4, 2023, the SGC responded and granted a two-month extension. In the letter granting an extension, SGC states that alternative projects must meet several criteria including full community support and permanency, which a bus route does not likely meet. The letter states, in part:

“Considering the past month’s events, the Strategic Growth Council (SGC) grants SHRA and project partners the requested 60-day extension to deliver an acceptable budget and a clear path to project completion. SGC recognizes the importance of the Dos Rios Light Rail Station and remains committed to supporting its completion alongside the community. However, as noted in our previous letter, we welcome alternative transportation project proposals in the revised plans, whether solely or in conjunction with the station dependent on the outcome of actions to solve the funding gap. Alternative projects worth incorporating would be those raised by the community and delivering immediate, more permanent improvements and substantially retain the intended transportation benefits to the extent possible (e.g., improved/connecting pedestrian and bicycling infrastructure in the Project Area).”

Community support for the project is critical, as the SGC’s Transformative Climate Communities (TCC) grant program vision is to empower the communities most impacted by pollution to choose their own goals, strategies, and projects to reduce greenhouse gas emissions and local air pollution. The Community has clearly reiterated that the station is and remains their top priority. These letters are included as Attachments 2.1, 2.2, and 2.3.

2. SB125 Funding

As discussed at the November 13, 2023 SacRT Board of Directors meeting, SacRT submitted a request for \$10M in SB125 for the Project. SB 125 (Chapter 54, Statutes of 2023) guides the distribution of \$4 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) on population-based formula to regional transportation planning agencies to fund transit operations or capital improvements. SACOG recommended approval of SacRT’s requested \$10M in SB125 funds to complete the construction of the Dos Rios Light Rail Station at their December 11, 2023 Board meeting. The SACOG Board approved this recommendation, providing an additional \$10M for the Project, for a total of \$33.8M in funding for the Project, and increasing SacRT’s chances of securing additional competitive grants, as further discussed below.

3. Transit and Intercity Rail Capital Program (TIRCP) Cycle 7

To fill the \$9.2M shortfall, Senator Angelique Ashby has agreed to support SacRT's proposal to request State of California TIRCP Cycle 7 grant funding, for which applications will be submitted in March 2024, if those funds are available and needed for the completion of the project. The recently approved \$10M in SB125 funds would be incorporated into matching funds in the grant application, strengthening the project benefit. Additionally, Senator Ashby has agreed to assist SacRT in seeking additional State funding (to the extent such funds are available and are deemed necessary to address cost overruns or shortfalls).

4. Leverage Funding

The SGC's Transformative Climate Communities (TCC) project incorporates more than \$100M in leveraged funding allocated to SHRA projects within the project boundaries, contingent upon the construction of a light rail station at the site. In their most recent communication dated 11/22/23 to the SGC, SHRA highlighted the Project significance as a pivotal component for securing additional funding from various state and federal grant programs. Not completing the Project jeopardizes meeting performance requirements in associated programs, potentially leading to recapture penalties and restrictions on SHRA's future access to funding through these programs.

5. Value Engineering & Cost Reduction

SacRT staff is continuing to perform value engineering to find cost efficiencies that could reduce the overall cost of the Project. Based upon available information at this time, after getting actual costs for third party flagging and further refinement of the project schedule, staff believes there is potential for a cost reduction of about \$1.2M. This leaves a funding gap of approximately \$8M. To address this funding gap, SacRT is applying for various state and federal discretionary grant programs, as outlined in section 6 below. Grantors are interested in projects seeking last-dollar financing because it ensures that their funds are the final piece of financial support needed to make the Project viable.

The contingency on the total \$43M project is approximately 19%, which was based upon the significant risks due to soil contamination and the site being on a SacRT active operating rail line. Once SacRT receives the construction bids, which were released on December 18, 2023, staff will reevaluate the contingency required for the remaining project line items. It is industry practice that contingency be applied to the construction portion of the project as risks are mitigated. Staff is optimistic that the contingency could potentially be reduced by up to \$2.5 million, as some of the initial estimates are solidified.

If SacRT is not able to obtain all the estimated \$8 million in additional funds from various grant applications, staff would consider further options to reduce project

costs. Additionally, by that time, SacRT will have construction bid results that may provide valuable insight into necessary reductions to address any funding gap.

It is important to highlight that, as per the SHRA and SacRT Subrecipient Grant Agreement executed in March 2021, SHRA functions as the “lead entity” overseeing project implementation and taking ownership of the site controls at the designated Dos Rios Light Rail Station construction site. Recent assessments have indicated contamination at the site with elevated levels of lead, arsenic, dieldrin, and volatile organic compounds (VOCs), resulting in an approximate 250% escalation in site cleanup costs thus far. Furthermore, there is a potential for additional unknown soil contamination and other environmental concerns, such as buried drums or materials, which could lead to unforeseen increases in project costs. SHRA’s involvement in site cleanup, additional soil handling, and adherence to the Site Management Plan requirements is expected to contribute to these cost escalations. In accordance with the Subrecipient Grant Agreement, SHRA is required to address these additional costs as stipulated in the Agreement.

6. Future Grants

SacRT staff has also been evaluating and planning to apply for other grant programs that are likely to provide additional gap funding for the project, including but not limited to the U.S. Department of Transportation (DOT) Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant, U.S. EPA’s new Environmental and Climate Justice Community Change Grants program (Community Change Grants), and the California State Transportation Agency (CalSTA’s) Transit and Intercity Rail Capital Program (TIRCP) programs. The Dos Rios project is a strong candidate for these grant programs based upon the merit criteria of each grant and the leverage potential of already secured funds; although RAISE is highly competitive, the Project has a higher-than-average ability to be funded under one of these programs. The Project is strong in many critical areas for grant success, which is why it has achieved other grant awards, including mobility and community connectivity, quality of life, safety, environmental sustainability, economic competitiveness and opportunity, state of good repair, partnership, collaboration, and innovation. Specifically, the DOT is looking to award projects under the RAISE Program that proactively address barriers to opportunity, including automobile dependence as a form of barrier and environmental justice, particularly for communities that have experienced decades of underinvestment and are most impacted by climate change, pollution, and environmental hazards. The Project is also a strong contender for the RAISE Program as it meets the project readiness criteria. Preliminary design for the Project was completed in mid-2014 through 2015. Environmental clearance for CEQA was completed in 2017 and NEPA in 2019.

The Dos Rios Project is included in SacRT’s \$1.9 billion FY24 Capital Budget, along with dozens of other high priority projects required for state of good repair, safety, maintenance, and mandated climate goal attainment, such as the transition to a zero-emission fleet, and projects that reduce vehicle miles traveled and

greenhouse gas emissions across our region. SacRT currently uses its formula capital funds as a launchpad to deliver the projects listed in its Capital Improvement Plan. These formula funds are oftentimes not enough to cover the project budget, so they are leveraged with other competitive grants. Funding sources are applied for on a project-by-project basis and the availability of funding is dependent on individual funding programs and grant opportunities. To ensure the Project satisfies previous grant commitments, SacRT may need to apply discretionary dollars as a backstop for Dos Rios, in the event grant funds for the Project are awarded.

The advocacy of Senator Ashby, as well as many other elected officials and community members will further strengthen future grant applications for the Project. The importance of this Project and the ability to secure future grants to backfill SacRT's additional funding commitment must both be considered. Staff strongly believes that recent project developments and grant strategy have minimized the risk of needing to utilize SacRT discretionary funds.

7. Solicitation Preparation and Release

On December 1st, SacRT's General Counsel opined that it would be unethical for SacRT to release the Invitation for Bid (IFB) for a project that does not have sufficient funding and for which there will likely not be a contract awarded. A follow-up opinion from Counsel was issued on December 14th following several new developments that have taken place which makes the feasibility of awarding a contract significantly more likely. The SACOG Board has awarded \$10 million in SB 125 funds for the Project and the Board is in the process of reconsidering the project. Consequently, at this time, it is believed that risks identified have been mitigated to an acceptable level.

Subsequently, staff completed and released the Dos Rios Light Rail Construction solicitation on December 18, 2023, with a current bid due date of February 22, 2024. The Strategic Growth Council has indicated that release of the IFB would be a critical milestone to preserving the TCC funding. The solicitation is subject to cancellation, dependent on the outcome of the Board's reconsideration vote.

Staff Recommendation

Based on the information listed above, including the recommendation of \$10M in SB125 funds approved by the SACOG Board, the strong advocacy of Senator Ashby, multiple grant opportunities that fit the project profile competitively, the extension of the deadline for the corrective action plan, and value engineering opportunities that leave a remaining potential project shortfall of \$8M to \$9.2M for the Dos Rios Light Rail Station Project, staff recommends that the Board take the following action:

1. Motion to Reconsider – Staff recommends that the Board approve Director Jennings' motion to reconsider the Board's November 13, 2023 vote.

2. If the Board approves the Motion to Reconsider, staff recommends that the Board then rescind the motion approved at the November 13, 2023 Board meeting to move forward with a substitute project, that includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission vehicles, frequent service, while continuing to pursue new grant funding for the station in the future and that the Board direct the General Manager/CEO to allocate sufficient funding to fill the budget shortfall and proceed with the construction of the Dos Rios Light Rail Station Project.



STAFF REPORT

DATE: November 13, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: DOS RIOS LIGHT RAIL STATION

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Based on the final motion approved by the Board at the meeting, staff will take the appropriate action.

FISCAL IMPACT

The Project has a current total estimated cost of \$43M which is included in the FY 24 Capital Plan, with a current estimated funding shortfall of \$19.2M. The cost breakdown is as follows:

Construction - \$22M
 Contingency and Risk - \$8M
 Administration, Bus Bridge, and Flagging - \$10M
 Construction Site Management - \$3M

It should be noted that the construction-related costs are estimates based on the cost of recent SacRT projects and may still change after the final bids are received.

Staff, in conjunction with a number of external stakeholders, has identified the following available funding sources:

Transformative Climate Communities Grant (TCC) - \$17.6M
 Affordable Housing Sustainable Communities Grant (AHSC) - \$940K
 State Transit Assistance Funds (SacRT) - \$3.2M
 FTA-5307 Funds (SacRT) - \$1M
 Congressional Directed Request (Matsui) - \$1M
 Total \$23.8M

This leaves a funding gap of approximately \$19.2M. To fund this gap, SacRT could potentially allocate funds normally used for local grant match requirements for capital

projects and/or a portion of SacRT's one-time Senate Bill 125 (SB 125) funding, and/or any other funding from other project partners such as City of Sacramento as directed by the Board.

In July 2023, California passed SB 125, which created a new one-time source of transit funding to primarily address the fiscal cliff issues facing many transit agencies and some capital needs that have been growing in recent years for the state's transit operators/agencies. The legislative intent is to maintain baseline operations to avoid service cuts or union-job layoffs.

These programs are administered by the California State Transportation Agency (CalSTA). The funding will be coming directly to the state's Regional Transportation Planning Agencies (RTPAs) with SACOG expected to receive a total of \$238,207,703 across the two programs - \$200.9 million in Transit & Intercity Capital Program (TIRCP) and \$37.3 million in Zero Emission Transit Capital Program (ZETCP). Funding will be made available to public agencies that are eligible to receive TIRCP capital funding that operate or plan for existing or planned rail service (including intercity, commuter, and urban rail) and bus service (including commuter bus, vanpool, and microtransit).

In recognition of the short timeline for providing information to CalSTA, SacRT staff have worked with SACOG staff to request an initial \$10M for the Project in SB 125 funds, pending board direction on this Project. SacRT's intent is to apply the remainder of our SB 125 funding to maintain baseline operations through fiscal year 2026-2027 to cover the operating deficits per the legislatively intended use of these funds. SacRT staff will continue to work with SACOG to ensure SacRT receives an appropriate and equitable portion of SB 125 funds.

DISCUSSION

Project Background:

The Dos Rios Light Rail Station (Project) on the SacRT Blue Line at North 12th Street in the City of Sacramento has been envisioned for many years as a part of the City of Sacramento Transformation Plan and Transit Oriented Development (TOD) Plan for the Twin Rivers-River District. The Project is a partnership between the City of Sacramento, SHRA, and SacRT. The Twin Rivers Redevelopment Zone is in Sacramento's River District, an industrial area that is transforming into a major infill development opportunity area. Since 1990, the City of Sacramento has targeted the River District and the adjacent Railyards for reinvestment and revitalization. The Sacramento Housing and Redevelopment Agency (SHRA) is leading the effort to redevelop the Twin Rivers Housing site. The new Mirasol Village housing offers a total of 427 units for low-income residents with additional market rate units also available. The vision for the historically isolated area includes full connectivity to transit, employment centers, services, retail, and cultural amenities, creating a vibrant gateway to downtown Sacramento. Although SacRT's existing Blue Line light rail route runs directly through the eastern portion of the River District, the nearest stations to the Mirasol Village Housing Complex are Alkali Flat/La Valentina Station, which is more than a half-mile to the south, and Globe Station, which is over a mile to the north across the American River. Access to the Green Line to

Downtown is almost a half-mile to the west. The distance between stations leaves much of the eastern end of the River District effectively isolated from the rest of the city with limited access to the regional transit system.

In 2005, SacRT completed a detailed operational analysis for the Project. SacRT completed an alternative analysis for the Project in August 2006. Preliminary design for the Project was completed in mid-2014 through 2015. Environmental clearance for CEQA was completed in 2017 and NEPA in 2019.

Project Design:

The Project, since its inception in 2005, has presented design challenges. It consists of realigning and constructing 1,400 ft. of track to straighten the tracks through the station, allowing relocation of the turnout further outbound to provide the length required for the platform and to move the platforms out of the city street. The Project also includes replacing and moving the overhead catenary system, constructing the station platform and amenities, and other components.

The current track configuration does not have sufficient room to build a new station and the tracks are on a curve. A station on a curve poses a safety issue since the operator cannot see the entire length of the train and all the doors. Therefore, the tracks must be realigned to provide tangent (straight) track per SacRT Design Criteria. In addition, with the current track alignment, there is only 200' available for a station between Sproule Ave. and the turnout. The current Dos Rios Light Rail Station platform design length required is 352' to accommodate 3-car consist and mini-high ramps on both ends of the platforms. With the current track alignment, the inbound platform would require the take of a city traffic lane, reducing N. 12th Street from 3 to 2 lanes. For the reasons described above, it is essential for the Project to realign and construct 1400 feet of double track.

Project Grant Awards:

In December of 2018, it was announced that the SHRA was the recipient of a \$23M Strategic Growth Council (SGC) Transformative Climate Communities (TCC) grant, with \$17.6M directed to the light rail station project and the remainder directed to the Mirasol Village housing development. SacRT is a subrecipient to SHRA on the TCC grant. The Master Grant Agreement was executed in May 2020 and the SHRA Subrecipient Grant Agreement was executed in March of 2021.

SHRA was also awarded \$18.8 million in Affordable Housing Sustainable Communities (AHSC) funding for housing and transit (2019); SacRT is a subrecipient for \$940,000 of this AHSC funding.

Site Cleanup:

SHRA owns the site where the Dos Rios Light Rail Station will be constructed, known as the "Dos Rios Triangle." The site is part of the larger Sacramento Twin Rivers Development Plan. The currently vacant and structurally undeveloped Site is bounded by North 12th Street, Sproule Avenue, and North 16th Street in Sacramento. Companies previously occupying the Site have conducted salvaging, equipment manufacturing,

refrigeration, wrecking, auto sales, automobile manufacturing and truck repair. Detailed assessment of the site was conducted by SHRA's contractor Tetra Tech, in 2020, 2021 and 2022. The soil was discovered to be contaminated with concentrations of lead, arsenic, dieldrin, and volatile organic compounds (VOCs).

SHRA contracted to Pacific States Environmental Contractors, Inc. in 2022 to complete the response action on the Light Rail Property. Due to levels of contamination, the site outside the Light Rail Station area was revised from residential to commercial-only use for the foreseeable future. The work also included the removal of previously unknown septic tanks and will require placement of a temporary gravel cover to allow access to the Light Rail Station property and use of the site as a staging area for the construction of the Light Rail Station. The contractor completed the response action on the Light Rail Property in 2023, which included soil excavation to remove soils, waste characterization and disposal. The excavated soils were stockpiled and sampled for hazardous waste characterization. Prior to commencement of construction of the Light Rail Station, SHRA's contractor will install a cover over the impacted soils on the remainder of the Site outside of the Light Rail Station Property; this has not yet occurred.

Because lead concentrations remaining in Site soils may exceed the preliminary remedial goal for construction workers a Site Management Plan must be followed to provide guidance to construction activities. Due to soils exceeding hazardous waste criteria along the property line that could not be removed, all workers on the Site require Hazardous Waste and Emergency Response Standard (HAZWOPER) training and must be a certified Contractor. Additional potential environmental concerns include buried drums or other materials that may impact the site. If this occurs, the contractor must notify SHRA. SHRA's site cleanup and requirements of the Site Management Plan have resulted in significant delays and cost increases on the SacRT Project; additional soil handling requirements may further impact bid pricing for potential contractors. Due to several hot spots, the Department of Toxic Substance Control (DTSC) is still reviewing SHRA's closeout report as well as the pending covering of the area outside of the Light Rail Station Property that will be used as a contractor staging area, this site is not yet ready for construction activity, but we expect it will be by the time construction begins.

Project Cost Increases, Final Design, and Bidding Schedule:

The original Strategic Growth Council (SGC) workbook plan anticipated going out to bid in July of 2021, and the final design of the station was completed in early summer of 2021; however, the documents could not be issued for bid until the site remediation was completed. The Site remediation led by SHRA also began in 2021 and was originally anticipated to be completed in 2021 but, as explained in the previous section, the Site cleanup was much more extensive than anticipated, which delayed the release of bid documents and has required extensive revision to the plans to account for the post-remediation site elevations and conditions.

Concurrently, the City of Sacramento proceeded with a separate project to reconstruct portions of N. 12th Street in 2021. The final configuration of the City project required further modifications to the station design and the final bid documents were updated and completed in May 2022.

In August 2022, SacRT awarded a \$3M construction management contract to 4-Leaf. SacRT also updated bid pricing based upon current bids from the Folsom 15-Minute Service Project.

Due to sub-recipient agreement timing, the original planning level project estimate did not include the cost of flagging and bus bridges. Flaggers for work around live track are required by the California Public Utilities Commission (CPUC) and are responsible for public safety and for temporary control of railroad traffic. Flaggers ensure the safety of passengers and workers during construction. This project will be constructed on an active rail line in a city street. This line is SacRT's main artery across the river to the light rail maintenance and storage yard. As this is an active line, passengers will be transported via a shuttle bus (or a bus bridge) in between stations, while the line is under construction. Flagging and bus bridges will be required during the majority of the construction timeline.

SacRT was prepared to go out to bid when final design was completed; however, because SHRA's site soil remediation had taken longer than expected, the bidding was delayed. During SHRA's soil remediation, additional contaminants were discovered and DTSC required multiple additional excavations to remove contaminants and test soil. In addition, as extensive excavation, including the removal of septic tanks, occurred during site remediation, SacRT and SHRA realized that the site would need to be resurveyed, topographical information in the bid documents would need to be updated, and requirements of the site management plan, including constrained contractor staging, specialized training, certifications, and soil handling requirements, would also need to be incorporated in the bid documents. The additional cost to resurvey the site was \$23,185, funded by SacRT.

DTSC issued conditional approval of the site management plan in July of 2023; however, the site was not ready to resurvey and was not ready for construction. As SacRT indicated in its letter to SHRA on August 24, 2023, as soon as the site was ready for SacRT to survey, SacRT planned to mobilize its contractor and proceed immediately. Clearance was provided by SHRA to SacRT for the contractor to resurvey the site on October 9, 2023 and SacRT completed the survey on October 16, 2023, an unprecedented quick turnaround for a resurvey effort. Because of the extent of the changes to the elevations of the site, site mapping and updates to site grades and the bid documents are extensive. The new work order will completely update the 100% Bid Set. Staff anticipates that updated bid documents will be prepared and ready for release no later than December 15, 2023. As of the writing of this staff report, DTSC has not approved the soil remediation Closeout Report and the site is not cleared for construction activities.

SacRT has contracted services to Mark Thomas consulting for design services on this project. SacRT funded design costs on the project to date include:

- \$635,222.23 – Dos Rios Preliminary Engineering
- \$99,617.35 - Dos Rios Preliminary Engineering
- \$31,582.37 – Traction Power Analysis
- \$149,662.99 – Dos Rios Preliminary Engineering
- \$924,914.99 – Dos Rios Final Design
- \$14,818.54 – Dos Rios Final Design
- \$17,177.63 – Dos Rios SMUD Plat and Legals
- \$154,747.15 – Dos Rios Design Phase 3

- \$23,184.97 – Dos Rios Re-Survey
 - \$239,991.44 - Design Support during Bidding and Construction
- Total - \$2,290,919.66**

The 2023 estimated project budget for The Project is \$43M, including risk and contingency. This total is reflective of extensive efforts to identify and apply cost-saving measures. Prior to the most recent estimate, SacRT removed nearly \$7M from the scope, by eliminating a traction power substation and automatic switching system. Staff further went line item by line item to find value engineering opportunities, resulting in a further \$700k reduction in costs, for a total of almost \$8M in reductions from the scope. The current design is the simplest, most feasible, and operable station that satisfies SacRT design and engineering standards and requirements. SacRT has already reduced the cost as much as possible through value engineering.

The overall project costs have increased significantly because of the delays to the project, the cost escalation in the current construction market, soil management requirements, worldwide supply chain issues brought on by the pandemic, inflation and additional SacRT project costs such as flagging and bus bridges.

Project Funding Shortfall, Schedule and Alternative Project:

In early 2023, SHRA and SacRT met with SGC to discuss the project funding shortfall. Various funding options were discussed, and SacRT and SGC appealed to partners, including the City of Sacramento to find another grant or local funding to fill the gap. In February 2023, SacRT applied for \$22M in TIRCP Cycle 6 funds as its top-priority project. SacRT and SHRA also prioritized the project in Congressionally Directed Spending Requests. SacRT was not successful in its request for the Dos Rios Light Rail Station Project in its TIRCP Cycle 6 application but secured a \$5.5M Congressionally Directed Spending Request recommendation from Congresswoman Matsui. The \$5.5M recommendation was reduced to \$1M in the House Transportation Budget. SacRT was notified of the unsuccessful TIRCP application at the end of April 2023, and met with SGC and SHRA in May 2023 to discuss additional options. SacRT requested an extension during that meeting, as well as an additional funding allocation to address the cost escalation on the project. SGC explained that due to the budgetary structure of the TCC program, an additional funding allocation was not possible. Although SacRT and SHRA communicated with SGC over the summer, SGC ultimately notified SHRA on July 31, 2023, that the project was in non-performance status and that SHRA must provide an updated project budget and funding strategy.

SacRT has numerous state of good repair and capital needs and cannot bear the entire financial burden that has been created as a result of this delayed project and the current economic environment for construction. At the staff level, it was proposed that \$10 million in SacRT's funding could possibly be directed to the Project, subject to board approval, and additional time was requested to apply for additional state and federal grant funds. Staff requested an extension for a period of 2 years to allow time to apply for additional funding through various grant cycles. SacRT and SHRA continued to advocate for additional funding with partner agencies and elected officials.

SacRT acknowledged in its correspondence with SHRA and SGC that the previously approved TCC budget did not include administrative costs, flagging, or project management for SacRT, now estimated at \$10M. These costs are regularly included in grant awards, but staff recognizes that it was not part of the original agreement. Therefore, SacRT would need to identify another funding source for the \$10M in project administration, bus bridge and flagging costs, as well as the \$9.2 million in construction costs, for a total of approximately \$19.2 million in required funding. Future rounds of TIRCP, SB1 and RAISE were identified as possible funding sources for the gap, but a project extension would be required.

If an extension was not granted and a supplemental allocation from SGC was not possible, at SHRA's request, SacRT began preparing an alternative transit investment that would ensure that the residents were afforded a transit option. SacRT currently operates Route 33, a "loop" that connects Marisol Village to Alkali Flat Light Rail station along the Blue Line. Transit improvements developed as an alternative to the Dos Rios Light Rail station included an east/west redesign of Route 33 connecting Blue Line, Green Line, Route 11 (Truxel), Mirasol Village, Greyhound, and the Museum of Science and Curiosity, every 30 minutes, seven days a week, including new zero-emission buses. Staff is developing options to provide 30-, 20- or 15-minute frequency on the Route 33 7-days per week as a potential substitute project. Staff also proposed options to improve Route 11 (Truxel), Route 142 (Airport) and the extension of approximately three existing commuter bus routes to the Richards Blvd Office complex. It is important to note that if the TCC funds are spent on the substitute project, operations and maintenance costs may only be covered until the grant expires in June of 2027.

On September 20, 2023, SGC responded to SHRA's August 29 letter with a second non-performance notification, requesting further development of the substitute project and a denial of an extension of the grant term citing that, "TCC does not have authority to administer a grant agreement beyond the current grant term. Grant funds awarded to the TCC SIMPL projects must be liquidated by June 30, 2027 in accordance with SB 101, Budget Act of 2023, Section 2, Item 0650-491... Given the apparent infeasibility of Project #2 ([sic] Dos Rios Light Rail Station Project), we request that SHRA work with SIMPL project partners to prepare a proposed alternative project that would substantially retain the intended transportation benefits and support the community vision for the SIMPL grant and can be feasibly implemented in the grant term."

The letter emphasized that the replacement project should be founded in broad-based community engagement. An amended corrective action plan and draft amendment request are required no later than December 1, 2023. To that end, SHRA has coordinated at least 8 public outreach meetings related to the substitute project. SacRT has participated in these meetings and provided information both on the light rail station project and the potential substitute project. Community members have been unanimous in their continued support for the Dos Rios project and expressed serious concern to hear that the station might not be built. Residents understand that station construction has been delayed, and they provided valuable feedback related to bus routes, connections and circulator services in the neighborhood.

Given the impossibility of an extension of the grant term, options to fill the funding gap and complete the light rail station project by the end of 2026 are limited even further than

previously understood. Immediately following the September 20, 2023 letter from SGC, the issue was raised at the SacRT Board of Directors meeting on September 25, 2023, including a request of project partners, such as the City of Sacramento, to contribute funds to address the deficit. This issue was also discussed at the October 13, 2023 Board meeting. At that time, the Board requested that a meeting be scheduled with the City and County of Sacramento and SHRA to discuss the shortfall. SacRT staff scheduled the requested meeting on November 2, 2023. Senator Ashby and SHRA hosted a replacement meeting on November 2, 2023 to determine a path forward. At that meeting a proposal was put forth that SacRT should consider the use of \$10M in SacRT's SB125 funding, as well as approximately \$9.2M of SacRT's other funds. At the November 2, 2023 meeting, staff committed to bring the proposal to the SacRT Board at the November 13, 2023 meeting. Although the Dos Rios Light Rail station has consistently been a high priority expansion project, SacRT has numerous other unfunded state of good repair and other capital needs. SacRT has a FY24 Capital Budget totaling \$1.9B, with over \$1B in shortfall, including for high priority projects such as the completion of the Light Rail Modernization Project and the state mandated transition to a zero-emission fleet.

The City of Sacramento staff has consistently indicated that there is no City funding available to support the project and this was confirmed by SacRT staff at a meeting with the City of Sacramento and SHRA staff on November 6, 2023. The City of Sacramento also indicated that they would not be able to provide additional support to the project, such as project management support, without reimbursement.

Options and Board Direction:

Staff will present a comprehensive project update at the November 13, 2023 Board of Directors meeting and seek input and direction from the Board on the path forward. Staff continues to prioritize the construction, and each of these options reaffirms SacRT's commitment to build the Dos Rios Light Rail Station Project, but seeks direction from the Board on one of the following options:

1. Request an allocation of \$10M in SacRT's SB125 funds and utilize approximately \$9.2M SacRT's other funds to fully fund the Dos Rios Light Rail Station Project.
2. Direct SacRT's SB125 and other funds to fund up to ½ of the shortfall of approximately \$19.2M through SacRT's SB125 allocation, and continue to seek partnership on the remaining ½ from other partners
3. Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission, frequent service; while continuing to pursue new grant funding for the station in the future.



Dos Rios Light Rail Station Project Briefing

SacRT Board of Directors 11/13/2023



Contents

1. Project Background
2. Cost Reduction Efforts
3. Grant Compliance
4. Funding Strategies
5. Alternatives
6. Board Discussion & Recommendation

Dos Rios Light Rail Station Project Briefing

SacRT Board of Directors 11/13/2023

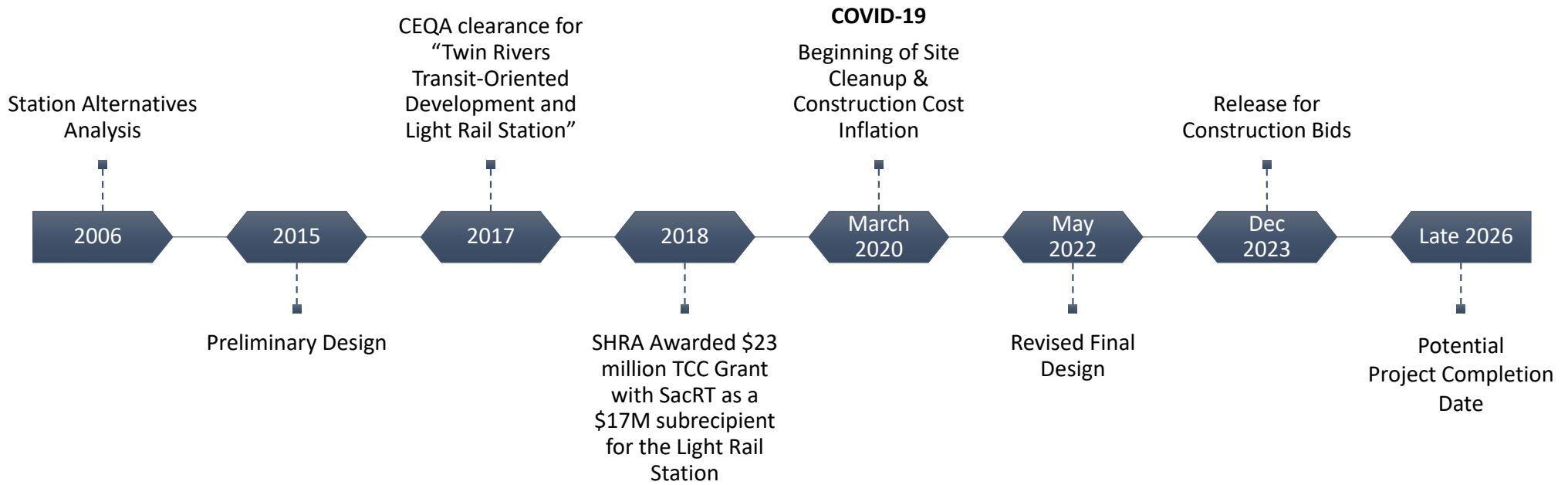


Project Background, Budget and Schedule

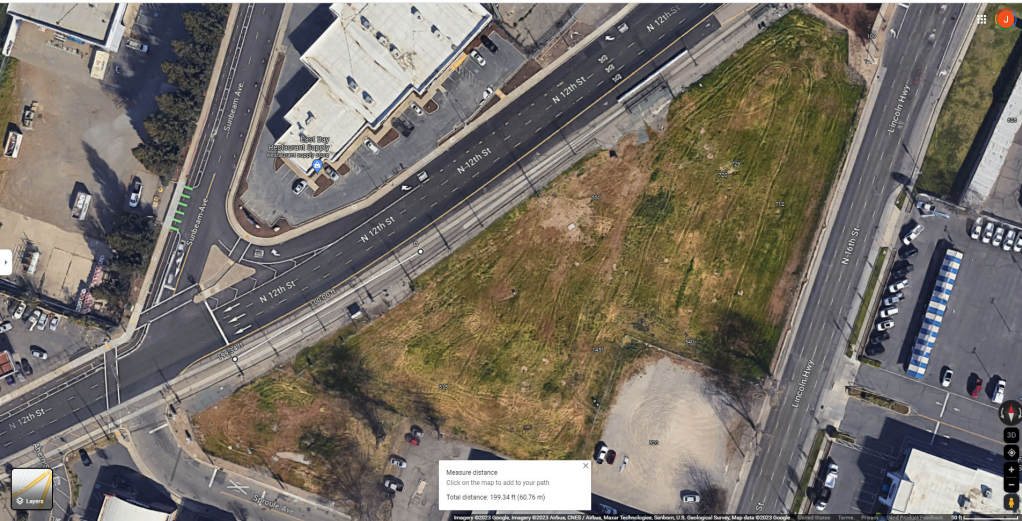
City of
SACRAMENTO

 **SHRA**
CHANGING LIVES

SACRAMENTO
REGIONAL TRANSIT 
1973-2023



Project Timeline

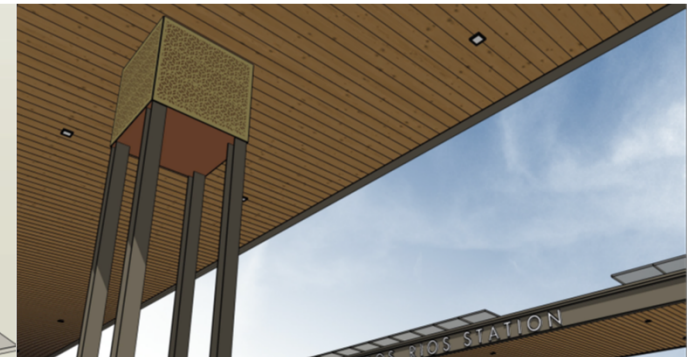
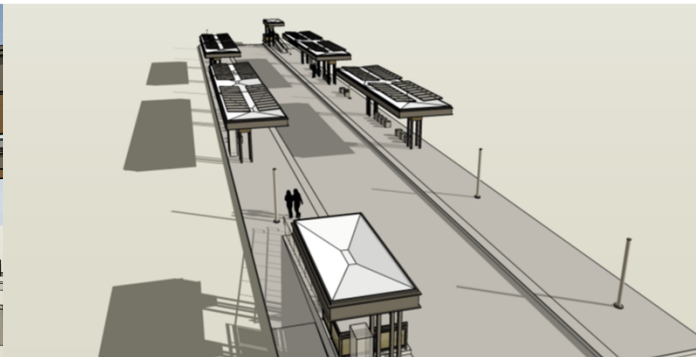
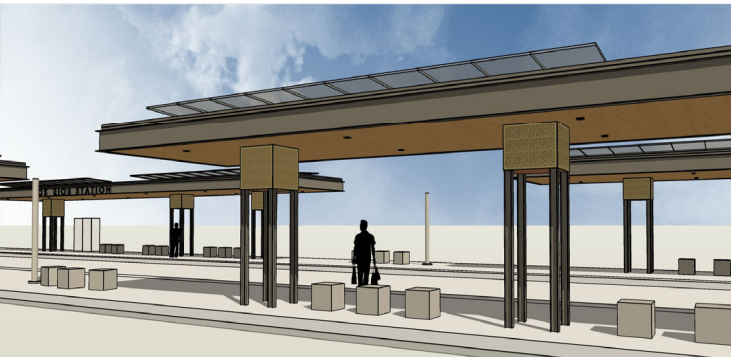


- Realign and construct 1400 feet of track
- Relocate turnout
- Replace overhead catenary
- Shutdown of the system during construction with flaggers & shuttle

- Install signaling and communication system
- Adjacent intersection slope and signal modifications
- Construct station platform
- Install station amenities



Light Rail Station Project Scope



Station Location & Renderings

Project Cost Estimate*
Construction Cost Estimate: \$22M
Contingency & Risk: \$8M
Project Admin, Bus Bridge & Flagging: \$10M
Construction Site Management: \$3M
Fully Burdened Cost Estimate: \$43M

Dos Rios Light Rail Cost Estimate

Can we use existing track?

- Proposed Station location is on existing rail curve
- Constructing 1400 feet of new double track
- 352 feet needed for station platform
- Construction on an active rail line (flagging)
- Construction cost escalation
- Soil clean up delays and site management plan needs

LEGEND:

- EXISTING LIGHT RAIL TRACK ALIGNMENT
- NEW LIGHT RAIL TRACK ALIGNMENT

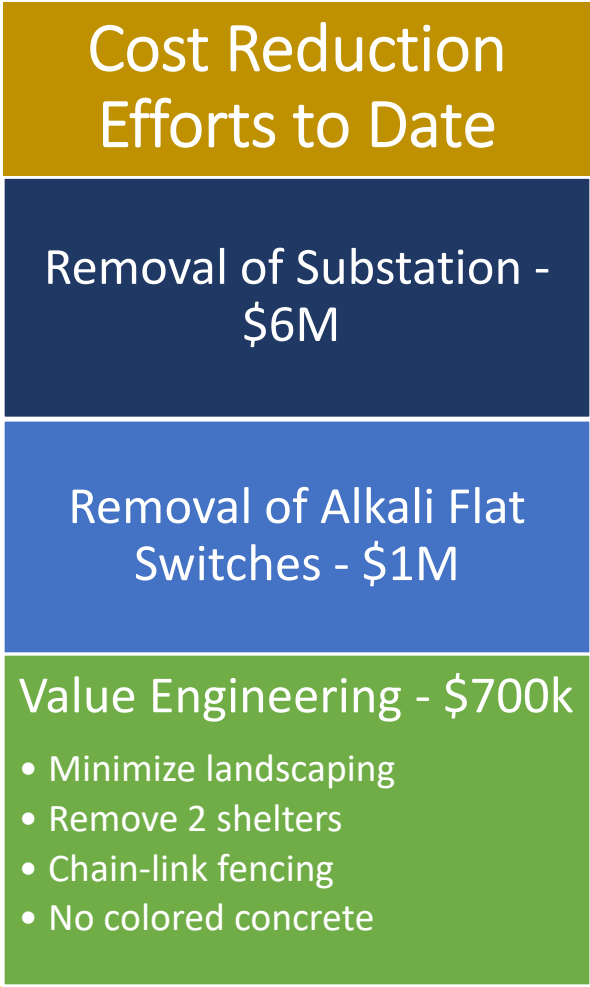
Cost Escalation



- Sacramento Housing and Redevelopment Agency (SHRA) owns the site where the Dos Rios Light Rail Station will be constructed, known as “the triangle” and is the lead for clean-up efforts
- The site is part of the larger development plan for the area, including Mirasol Village housing community and its surrounding River District Neighborhood

- Prior auto-centric and manufacturing activities resulted in contamination at the site contaminated with concentrations of lead, arsenic, dieldrin, volatile organic compounds (VOCs)
- Clean-up has taken much longer than anticipated
- The work included the removal of previously unknown septic tanks
- Requires placement of a temporary gravel cover to allow access to the Light Rail Station property
- The Site Management Plan provides guidance to construction activities, including HAZWOPER training
- Site was cleared for resurvey on 10/9/23
- Delays to site cleanup have increased construction cost
- Site is now resurveyed but not ready for construction

Site Clean Up



Project Cost Estimate*
Construction Cost Estimate: \$22M
Contingency & Risk: \$8M
Project Admin, Bus Bridge & Flagging: \$10M
Construction Site Management: \$3M
Fully Burdened Cost Estimate: \$43M

Contingency/Risk is approximately 18%

Why so much?

- Active rail line
- In street
- Main artery across the river and only access to SacRT Metro Facility

Project Admin, Bus Bridge and Flagging is \$10M

Why so much?

- Flagging is estimated at \$4.7M of this cost
- Required by CPUC for safety
- Active rail line requiring flagging and bus shuttle service

Cost Reduction Efforts

Slide 10

JJO

[@Laura Ham] is the contingency part of the bid packet, or does this allow for some cushion to higher bids?
Example - Construction cost estimate is \$22M, but the bid comes in at \$25M, would that then be covered by the contingency budget and allow us to proceed under the total estimate of \$43M, but reduce our contingency for other unknowns?

Jason Johnson, 2023-11-12T18:02:41.276

- ➔ **The site was not ready**
- ➔ Soil contamination
- ➔ **Professional engineering standards require:**
 - *Completed soil management plan (complete in Aug 2023)*
 - *Accurate topographical information*
 - *Excavation and backfill quantities for bid documents*
- ➔ Soil remediation sitework was primarily completed and a **safe access zone was established on Oct 9, 2023**
- ➔ The site is not cleared for construction activities – this must be complete by contract award
- ➔ Several “*hot spots*” must be cleared by Department of Toxic Substance Control (DTSC)
- ➔ Close out report from DTSC is not yet approved
- ➔ Site resurvey complete Oct 16, 2023
- ➔ Bid document updates underway with target completion Dec 15, 2023
- ➔ **Bids are valid for 90 days – early bidding would result in costly delay claims**

Delays to Release of Bidding

Project Non-Compliance Issues:

- Funding Shortfall - \$19.2M
- Timeline to Secure Funding

Strategies:

- TIRCP Cycle 6 Grant Application \$20.2M – Not Awarded
- Congressionally Directed Spending Request -- \$5.5M (reduced to \$1M)

July 31, 2023, Letter from SGC to SHRA:

- Noticed SHRA of the failed funding plan
- Provided 30 days to provide acceptable budget with secured funding
- Stop work
- No viable funding options at that time

Grant Non-Performance Notification

August 29, 2023, Response letter sent to SGC from SHRA and SacRT:

- Project was delayed due to unforeseen soil remediation requirements
- Delay has impacted costs
- Worked to achieve cost savings and secure funding to close the gap
- Again, requested an extension
- Committed to continue to ready the site for construction
- Committed to pursue future grants
- Began work on the requested substitute project

September 20, 2023, Letter from SGC to SHRA:

- TCC does not have authority to administer a grant agreement beyond the current grant term. Grant funds awarded to the TCC SIMPL projects must be liquidated by June 30, 2027
- Given the apparent infeasibility of the project SGC requested that SHRA work with project partners to prepare a proposed alternative project
- Alternative project was requested by December 1, 2023 including a project justification and narrative, revised detailed budget and workplan

Grant Non-Performance Notification 2



CALIFORNIA STRATEGIC
GROWTH COUNCIL

September 20, 2023

To: Victoria Johnson, Assistant Director of Development, Sacramento Regional Housing Authority (SHRA)

CC: City of Sacramento Mayor Darrell Steinberg, Councilmember Katie Valenzuela (District 4), and Members of the SIMPL Leadership Council

From: Amar Cid, Deputy Director of Community Investments and Planning, CA Strategic Growth Council (SGC)

Re: SHRA's August 29 Response to SGC's Transformative Climate Communities (TCC) July 31 Project #2 Non-Performance Notification

Dear Ms. Johnson,

Thank you for your letter dated August 29, 2023 and continued attention to the Dos Rios Light Rail Station, Transformative Climate Communities (TCC) Sacramento Integrated Multimodal Place-Based Living (SIMPL) Project #2. The Non-Performance Notification dated July 31, 2023, (1) outlined the outstanding funding gap and project completion timeline issues in relation to Project #2 and (2) the determination of non-performance in accordance with the Grant Agreement. As explained in that letter, SGC requested a corrective action plan that establishes an acceptable budget with secured funding to cover the current project budget deficit and a feasible pathway for project completion within the timeframe of SGC's funding authority.

“TCC does not have authority to administer a grant agreement beyond the current grant term. Grant funds awarded to the TCC SIMPL projects must be liquidated by June 30, 2027 in accordance with SB 101, Budget Act of 2023, Section 2, Item 0650-491...**Given the apparent infeasibility of Project #2 ([sic] Dos Rios Light Rail Station Project), we request that SHRA work with SIMPL project partners to prepare a proposed alternative project that would substantially retain the intended transportation benefits** and support the community vision for the SIMPL grant and can be feasibly implemented in the grant term.”

SGC September 20, 2023 Letter to SHRA

- Notified on **September 20, 2023**, of the non-performance letter that SHRA had received from SGC that a substitute project was requested
- The issue was raised the following week at the SacRT Board of Directors meeting (9/25/23)
- The issue was also discussed at the 10/23/23 Board of Directors meeting
 - Meeting was requested by the SacRT Board to discuss the shortfall
 - Staff scheduled a meeting
- **SHRA as the project implementing agency** worked with Senator Ashby and the City of Sacramento to identify funding – new meeting scheduled on 11/2/23
- Full update and briefing on November 13, 2023 to the SacRT Board of Directors
- Diligent in work with stakeholders to identify funding over the past year
- SacRT applies for and secures most of the funding for major capital projects
 - Jurisdictions also contribute to the project cost – example: Streetcar
 - Not a SacRT project alone – a connected community project
 - All stakeholders bear some responsibility

How Did We Get Here?

FUNDING SOURCE	FUNDING TYPE	FUNDING AMOUNT	% TOTAL FUNDING
Project Development (Planning/Design/Permitting)			
Regional Grant Funding (SACOG)	Federal	\$711,000	2.7%
Proposition 1B PTMISEA (SacRT)	State	\$1,570,000	5.9%
CMAQ Grant Funding (SACOG)	Federal	\$5,000,000	18.8%
City of Sacramento (Fund 2031)	Local	\$7,397,142	27.9%
City of West Sacramento (Measure V)	Local	\$11,848,142	44.7%
Project Development Funding Total		\$26,526,284	100%
SSGA Project (Construction)			
FTA Small Starts Grant (2022 Recertification)	Federal	\$50,000,000	37.1%
Additional Small Starts or Other Federal Grant	Federal	\$30,000,000	22.3%
Cap and Trade (TIRCP) *	State	\$30,000,000	22.3%
2 LRT Vehicles	State/Local	\$11,500,000	8.5%
City of West Sacramento (Measure V)	Local	\$13,151,858	9.8%
SSGA Project (Construction) Funding Total		\$134,651,858	100%
Total Project Funding (2029 Dollars)		\$161,178,142	

Downtown Riverfront Streetcar Funding Plan

*Requires Project Update



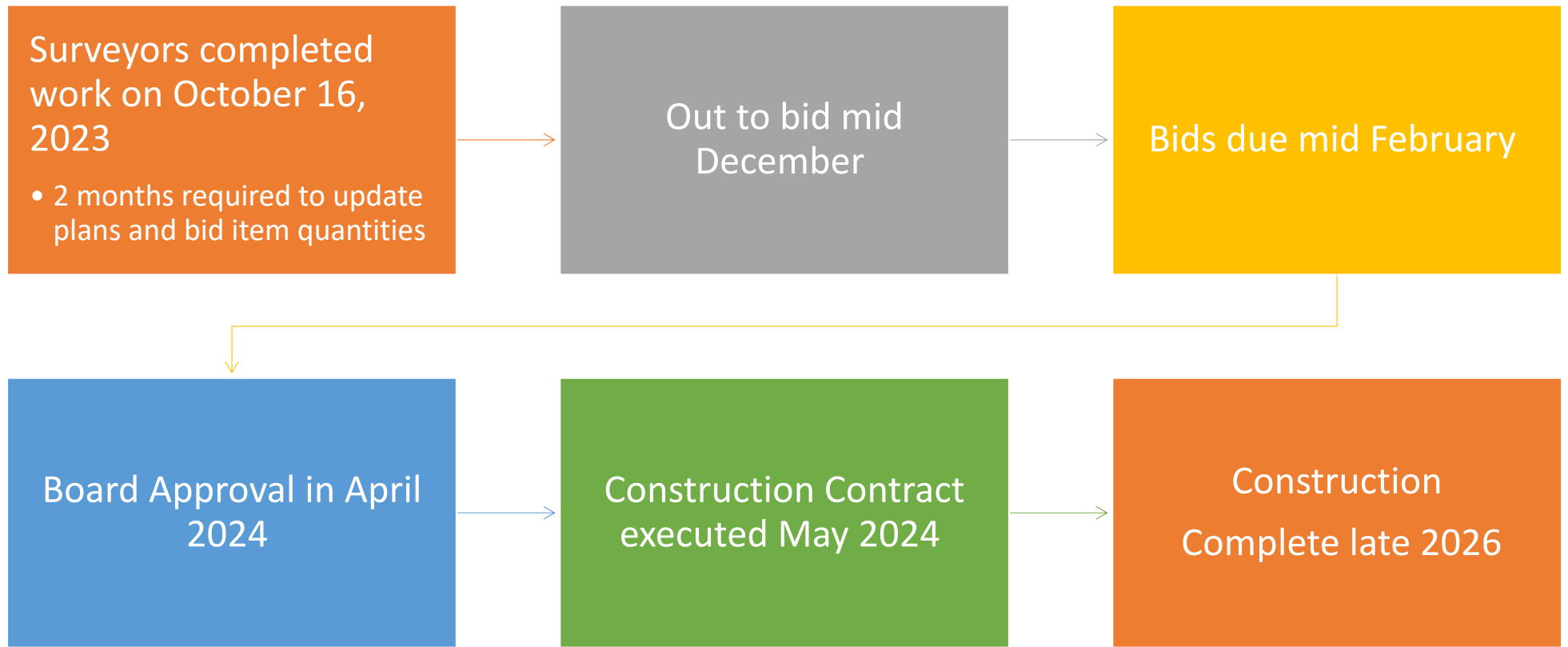
- Appealed to our partners, SHRA and City of Sacramento to find another grant or local funding to fill the gap
- Applied for \$20.2M in the State of CA Transit and Intercity Rail Capital Program (TIRCP)
 - #1 ranking
 - Not awarded
- Prioritized the project in Congressionally Directed Spending Request
 - Secured \$5.5M ask from Congresswoman Matsui
 - Reduced to \$1M in the House Transportation Budget
- Cut \$8M in project scope
- Asked for grant extension and assistance in covering the cost overrun from our partners
- Considered options to absorb some costs with SacRT's funds
- Moved as quickly as possible to prepare the project for bidding

SacRT Efforts to Address the Funding Gap

Consistent Interactions with Strategic Growth Council, SHRA, City of Sacramento and Community Stakeholders

- **Early 2023** – SHRA & SacRT met with SGC to discuss TIRCP Cycle 6 to fund shortfall.
- **April 24th** – Dos Rios project unsuccessful for TIRCP Cycle 6 funding.
- **May – September** – Asked SHRA, City of Sacramento and other jurisdictions to help with the funding shortfall
- **May 23rd** – Meeting with SGC, SacRT requested extension to find additional funding options
- **June 21st** – Congressional earmark appropriation (\$5M reduced to \$1M)
- **June 22nd** – SHRA informed SacRT that SGC was not ready to respond to extension request.
- **July 31st** - SGC sent non-performance letter for Dos Rios and required a funding plan.
- **August 24th** - SacRT responded with request to extend deadline to find additional funding.
- **September 20th** – SGC sent letter stating an extension would not be granted and requested an alternate project proposal by December 1st deadline.
- **September 25th and October 23rd** – Discussion with SacRT Board of Directors
- **Month of October** – SacRT attended 8 community meetings to discuss alternate projects.





Station Project Schedule

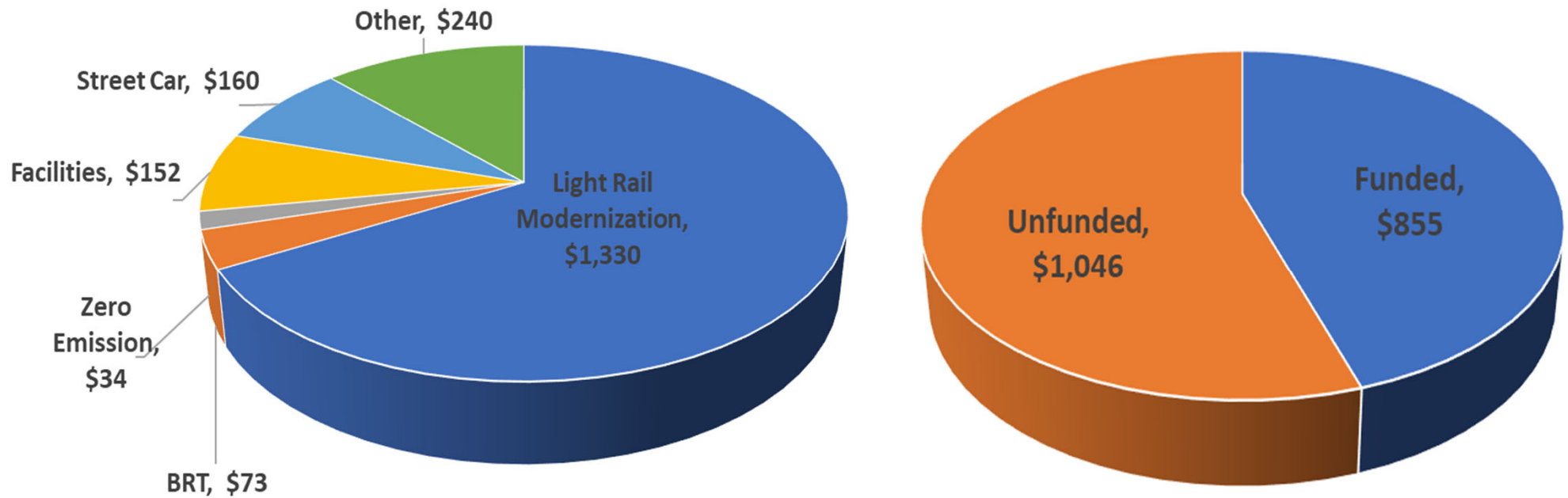
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Available Funding	
Funding Program	Funding Amount
Transformative Climate Communities (TCC)	\$17,578,243
Affordable Housing Sustainable Communities (AHSC)	\$940,000
SacRT Funds	\$4,241,554
Congressional Directed Request (Matsui)	\$1,000,000
Possible Available Funding	\$23,759,797

Project Shortfall \$19.2M

Dos Rios Light Rail Station Funding Plan

Capital Budget by Category and Total Funded/Unfunded



FY 2024 Capital Budget (in Millions)
(Total FY 24 Capital Budget \$1.9B)



Connecting us.

April 25, 2023

The Honorable Gavin Newsom
Governor, State of California

The Honorable Toni G. Atkins
Senate President Pro Tempore
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

The Honorable Phil Y. Ting
Chair, Assembly Budget Committee
California State Assembly

RE: California Transit Association's Funding Request and Policy Recommendations to Address Near-Term Operating Deficits

Dear Governor Newsom, Pro Tempore Atkins, Speaker Rendon, Senator Skinner, and Assemblymember Ting:

On behalf of the California Transit Association, I write to you to today to share our state funding request and policy recommendations to address the near-term operating deficits faced by California transit agencies. Our recommendations were unanimously approved by the Association's leadership in the week of April 16, following months of discussion between our members from across the state and shaped by our engagement with decision makers in Sacramento. With the state itself facing a difficult budget outlook for Fiscal Year 2023-24, our



Connecting us.

IMMEDIATE RELEASE
June 2, 2023

CONTACT
Michael Pimentel
Executive Director
California Transit Association
Email: michael@caltransit.org

****PRESS RELEASE****

California Labor, Environmental, Business, and Transportation Organizations Urge State Leaders to Save Public Transit

(Sacramento, CA) – Today, the California Transit Association [released a letter](#) signed by more than 60 statewide and regional organizations urging Governor Newsom and legislative leaders to appropriate new transit operations funding in the state budget to help stabilize transit service and support agencies' recovery from the pandemic.

The Association Steers the Budget Conversation to Success

Blog

Jul. 27, 2023

The fiscal cliff threatened California's transit agencies. Association membership led the way to secure crucial transit funds against the backdrop of a state budget shortfall.

By **Arianna Smith**
Managing Editor
Transit California

At the beginning of 2023, transit agencies across California faced a fiscal cliff due to the dual crises of the federal pandemic emergency funds running out and the persistent lag in ridership returning to pre-pandemic levels. Agencies were contemplating the terrible possibilities of laying off staff, cancelling routes and services, and delaying critically needed capital maintenance and upgrades – all of which could have caused a downward trend in ridership and farebox revenues and could have led to an ever-worsening spiral of additional operations cuts.

SB 125 Funding



Initial SB 125 Capital Requests	
Capital Project	Amount Requested
Dos Rios Light Rail Station - Cost Overrun & Immediate need for 2024	\$10,000,000
Low-Floor Fleet - NTP #5 needed by June 2024 & Match for TIRCP Cycle 7	\$10,000,000
Blue Line Station Conversions - Needed to complete by 2025 & Match for TIRCP Cycle 7	\$8,000,000
Stockton BRT - CON Phase Match for Federal Funds & Match for TIRCP Cycle 7	\$10,000,000
Replace 50 year old Bus Maintenance Facility to accommodate zero emission vehicles and modernize to current standards - New BMF1 CON Match for Federal Funds & Match for TIRCP Cycle 7	\$10,000,000
Comprehensive Operational Analysis - Including a SRTP and LRTP for future funding measure	\$1,000,000
Total Zero Emission Vehicle	\$32,600,000
Total SB 125 Operating Assistance	\$81,600,000

Capital Project Requests

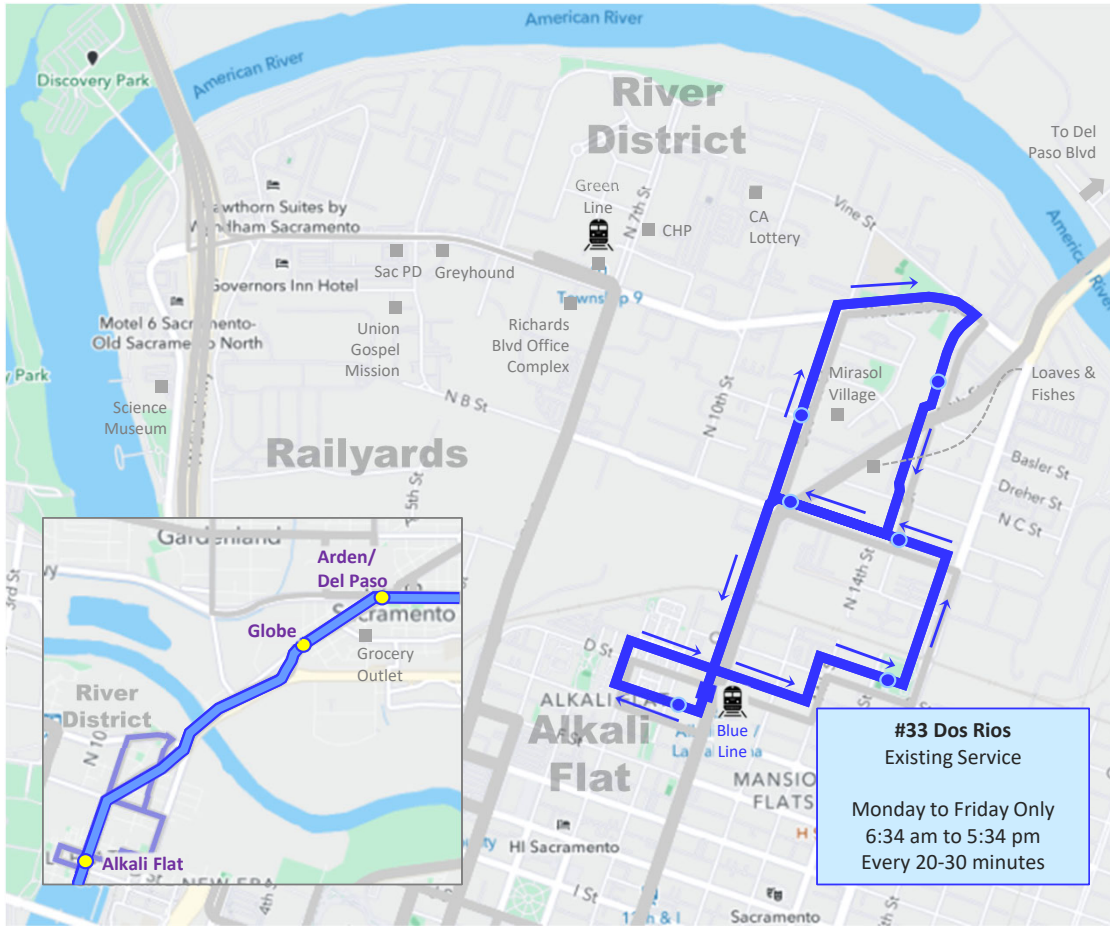
Initial SB 125 Operating Assistance Estimates

Fiscal Year	Estimated Funding Shortfalls
FY 25 Operating Estimate	\$41,000,000
FY 26 Operating Estimate	\$43,500,000
FY 27 Operating Estimate	\$46,000,000
Total SB 125 Operating Assistance	\$130,500,000

Total SB125 Funding Available to the Sacramento Region \$238M

***Total SacRT Funding Request is \$212M or Approximately 89% of Total Available**

SB 125 Funding for Operations



Option	Route	Frequency
A	No Changes Continue #33 Dos Rios as-is	20 minutes
B	Add Evening and Weekend Service Extend service to 9:00 pm and operate 365 days a year	20 minutes
C1	Extend Route (1 bus) Extend route west along Richards Blvd with just one bus; extend service to 9:00 pm and operate 365 days a year	30 minutes
C2	Extend Route (2 buses) Extend route west along Richards Blvd with two buses; extend service to 9:00 pm and operate 365 days a year	20 minutes

SacRT's Short Range Transit Plan calls for #33 Dos Rios to be eliminated when Dos Rios station is completed. Options presented here are intended to be concepts and cost is currently being evaluated. Route/schedule depend on additional public input. Additional alternatives include improvements to #11 Truxel, #142 Airport, and commuter bus service to River District. If station project is abandoned, TCC funds could be spent on new vehicles and approximately two years of O&M cost as a substitute project. Existing frequency is normally every 20 minutes, but occasionally 30 minutes to allow an operator restroom break.

Potentially up to \$17.6M in TCC funds to be used for substitute project

Dos Rios Station Alternatives | #33 Dos Rios

Staff continues to prioritize the construction of the Dos Rios Light Rail Station Project, and each of these options reaffirms SacRT's commitment to build the Project, but seeks direction from the Board on one of the following options:

1. Request an allocation of \$10M in SacRT's SB125 funds and utilize approximately \$9.2M in SacRT's other funds to fully fund the Project (for a total of \$19.2M from SacRT).
2. Direct SacRT's SB125 funds to partially fund up to ½ of the shortfall of approximately \$19.2M and continue to seek partnership on the other ½ of the funding (must be committed by December 1, 2023).
3. Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission, frequent service, while continuing to pursue new grant funding for the station in the future.

Summary and Options

Thank You and Discussion



November 22, 2023

Ms. Amar Cid
Deputy Director of Community Investments
California Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

Re: TCC SIMPL Project #2 Non-Performance and Alternative Transportation Projects

Dear Ms. Cid,

The purpose of this letter is to respond to your letter dated September 20, 2023. In that letter you requested an acceptable budget with secured funding to cover the current project budget deficit and a feasible pathway for project completion within the timeframe of SGC's funding authority. The deadline for the corrective action plan is December 1, 2023. While we have made significant progress in community outreach, I am requesting an additional 60-day extension to fully respond to the needs of the community residents. Outlined below is the outcome of our community engagement, discussions regarding alternative projects and financial commitments tied to the Dos Rios Light Rail Station.

Community Engagement

The specific direction we received from SGC and Department of Conservation staff was to collaborate with community residents and stakeholders to identify alternative transportation projects that could meet their mobility needs in place of the Dos Rios light rail station, if such a backup plan were to become necessary due to any number of factors, including delay. SGC staff emphasized that any alternative proposal must be based on the community's own vision for the SIMPL Project Area, and that SHRA and SacRT staff should not limit the discursive process by only proposing alternatives that the community might rank or vote upon. Instead, we were guided to follow the "IAP2 Spectrum of Public Participation" model, that is premised upon a true democratic process. In this model, community members are empowered by the pledge that *"We [public officials] will implement what you decide."*

Throughout September, October and November, residents of the SIMPL Project Area and a cadre of community partners have met formally and informally, and hundreds of conversations have been held. A summary of meetings and community outreach is attached. More than 30 community members have attended formal meetings, 20 members attended informal meetings, 85 survey responses were received, 50 persons signed a petition in favor of the light rail station, and 30 members attended in

SHRA Corrective Action Response Letter

person or submitted a comment at the recent RT Board meeting. In total, SHRA has received feedback from nearly 200 stakeholders.

Through this process, the **clear consensus is that the community wants the light rail station to be built and believes any other option to be inferior.**

Alternative Projects

A wide range of alternative projects and mobility options have been introduced and discussed at community meetings and through the community survey process. Residents begrudgingly agreed with the logic that an alternative transportation solution would be better than nothing at all. However, the comments, survey responses and public testimony has produced a clearly stated desire for the light rail station.

Residents of the River District have already experienced the unexpected disappearance of bus stops and reductions in route service. They are familiar with the sudden closure of bike-share and car-share programs, and the reduction of SmartRide services that SacRT has determined to be financially infeasible and therefore plans to phase out. SacRT staff stated an alternative electric bus program would take approximately the same amount of time to implement as to build the light rail station and the bus service could not be guaranteed in the long term. This proves the point that anything less than a light rail stop has the potential to be temporary, which has been the resident's experience over the past few years. Residents are frustrated because they sit squarely on the existing light rail line, but without a stop they watch the public transportation pass them by. For these reasons, residents, business owners and future investors know the value of a permanent light rail station is immensely greater than any alternative.

Importantly, community members have asked repeatedly that if they support an alternative project, will this reduce the likelihood that the Dos Rios station will ever be built? This concern was reinforced and validated at the recent November 13, 2023, SacRT Board meeting when the chairperson questioned the need for the light rail station, and the Board subsequently voted to delay the project.

Financial Commitments to the Dos Rios Light Rail Station

The Dos Rios light rail station is an obligatory component of at least five other SHRA funding programs worth a total of \$91.6 Million, and failure to deliver the station will jeopardize satisfactory performance under these programs. If the station is not constructed, SHRA may face recapture penalties and/or suffer restricted access to future funding under these programs.

- \$30 Million - United States Housing and Urban Development Choice Neighborhoods Grant (2017); \$30 million was awarded to the Twin Rivers Transit-Oriented Development and Light Rail Station Project. This grant cannot be closed out until all housing is completed and the light rail station is constructed
- \$18.8 Million* - State of California Affordable Housing and Sustainable Communities Grant and Loan (2019); \$18.8 was awarded to construct housing and transportation improvements including funds for station construction and is based upon the specific GHG reductions associated with the light rail station.
- \$40.8 Million* - California Housing Finance Agency Mixed Income Program (2022); \$35 million tax-exempt bonds and \$5.8 million Mixed-Income Loan awarded 7 "amenity points" on a competitively

SHRA Corrective Action Response Letter

scored application, relying upon the completion of the Dos Rios light rail station as the adjacent transit amenity.

- \$1.8 Million* - State of California Green Infrastructure Grant (2020); \$1.8 million awarded to construct Mirasol Village Park; identified as a neighborhood public park accessible to the community via both bike lanes and the adjacent light rail station.
- \$550,000 - United States Environmental Protection Agency (2020 and 2022); \$550,000 Brownfield grants awarded to remediate soil for light rail station construction.

*(*indicates State funds totaling \$61.1Million)*

While the recent SacRT Board decision to delay the Project was disappointing, we are unwavering in our belief that the Dos Rios light rail station must and will be constructed. SHRA staff will continue to collaborate with SIMPL Project Area residents and the group of community partners in the coming weeks. I will continue to meet with elected officials and agency directors to solve the funding gap.

By granting us an extension of 60 days, we believe we can deliver an acceptable budget, and articulate a clear path forward to the completion of the Dos Rios Light Rail Station.

You may reach me at any time directly by phone at 916-440-1346.

Sincerely,



La Shelle Dozier, Executive Director
Sacramento Housing and Redevelopment Agency

Cc:
Senator Angelique Ashby, Senate District 8
City of Sacramento Mayor Darrell Steinberg
Councilmember Katie Valenzuela
Lynn von Koch Liebert, Executive Director, SGC
Henry Li, CEO, SacRT

Attachments:

1. SGC Letter dated 9/20/23
2. Community Engagement Summary



CALIFORNIA STRATEGIC GROWTH COUNCIL

September 20, 2023

To: Victoria Johnson, Assistant Director of Development, Sacramento Regional Housing Authority (SHRA)

CC: City of Sacramento Mayor Darrell Steinberg, Councilmember Katie Valenzuela (District 4), and Members of the SIMPL Leadership Council

From: Amar Cid, Deputy Director of Community Investments and Planning, CA Strategic Growth Council (SGC)

Re: SHRA's August 29 Response to SGC's Transformative Climate Communities (TCC) July 31 Project #2 Non-Performance Notification

Dear Ms. Johnson,

Thank you for your letter dated August 29, 2023 and continued attention to the Dos Rios Light Rail Station, Transformative Climate Communities (TCC) Sacramento Integrated Multimodal Place-Based Living (SIMPL) Project #2. The Non-Performance Notification dated July 31, 2023, (1) outlined the outstanding funding gap and project completion timeline issues in relation to Project #2 and (2) the determination of non-performance in accordance with the Grant Agreement. As explained in that letter, SGC requested a corrective action plan that establishes an acceptable budget with secured funding to cover the current project budget deficit and a feasible pathway for project completion within the timeframe of SGC's funding authority.

The SHRA response dated August 29, 2023, while appreciated, is insufficient. While it includes steps that have been taken to mitigate the project deficit, it does not adequately address the deficit. The current funding strategy shows a \$9.2 million funding gap with a proposed corrective action to secure supplemental funding and project completion after 2028. The proposed corrective action plan also relies on securing a contractor under the additional requirements for construction as a result of higher levels of soil contamination, potentially increased costs and limiting the number of qualified contractors able to bid on or complete the work.

TCC does not have authority to administer a grant agreement beyond the current grant term. Grant funds awarded to the TCC SIMPL projects must be liquidated by June 30, 2027 in accordance with SB 101, Budget Act of 2023, Section 2, Item 0650-491. SHRA's corrective action plan does not provide a secure pathway to project completion, guarantee project completion during the agreement timeline, or TCC Round 2 expenditure deadline, and does not demonstrate secured funding.

Given the apparent infeasibility of Project #2, we request that SHRA work with SIMPL project partners to prepare a proposed alternative project that would substantially retain the intended transportation benefits and support the community vision for the SIMPL grant and can be feasibly implemented in the grant term.

Additionally, eligible alternative projects must conform to the project types and requirements of the Transit Access and Mobility Strategy as defined in Table D-2 of the FY2018-19 Final Program Guidelines (Attachment 1). This includes the Transit and Rail Access as well as other projects which prioritize expanding zero and near-zero emission transportation and infrastructure, non-auto oriented transportation options through first/last mile connections, safe and accessible biking and walking routes, and safe reliable transit options; reduce parking requirements for new development; implement parking pricing strategies; encourage education and planning activities to promote increased use of active modes of transportation; and promote vanpools and zero-emission vehicle car sharing programs.

The proposed project or projects must also align with and complement existing plans, projects, and improvements for the Project Area.

Further, a sufficient replacement project would meet the same standards of community leadership and involvement in design and decision making as the original application. At a minimum:

- a. The alternative project should be founded in broad based community engagement that seeks, to the maximum extent possible, to involve and empower community members as decision makers in the proposal process. This may mean:
 - i. Surveying of community values and priorities for improving mobility within the project area; and
 - ii. Consulting with broader community to identify desired potential alternatives or designs; and
 - iii. Involving community members in direct democratic processes such as participatory budgeting, citizen assembly, or deliberative polls.
- b. The proposal should have substantial support from the SIMPL Leadership Council as constituted in the "Collaborative Stakeholder Structure" section of the Community Engagement Plan (Exhibit E of the Grant Agreement (Attachment 2)). This might include recruiting new members, such as filling vacant resident, District 3, and Mayor's office seats, establishing an ad hoc committee to focus on Project & Strategy 2, and/or participation of the Leadership Council members in community engagement and decision making on the alternative project proposal.

To implement an acceptable replacement project, SHRA must submit an amended corrective action plan and prepare a draft amendment request consistent with the corrective action plan no later than December 1, 2023 including a project justification and narrative, revised detailed budget and workplan, a description of the community engagement and decision-making process. Finally, as part of any proposed amendment to a grant agreement, an updated greenhouse gas reduction quantification in support of the amendment will need to be included with the support of TCC Staff from SGC and the California Air Resources Board using the methodology aligning with TCC Round 2 Guidelines.

Sincerely,



Amar Cid
Deputy Director, Community Investment and Planning

**COMMUNITY ENGAGEMENT AND STAKEHOLDER OUTREACH AND
CONVENINGS RE: ALTERNATIVE MOBILITY PROJECTS**

- 8/9/23 Leadership Council Regular Meeting – Virtual (22 attendees)
- 8/21/23 Special Leadership Council Meeting to discuss Non-Performance Letter – Virtual (24 attendees)
- 8/29/23 SHRA/SMAQMD Discussion of Public Car Share Program
- 9/28/23 Mirasol Village Resident Meeting – TCC Transit Needs Survey distributed hard-copy (16 attendees)
- 10/2/23 SHRA/SacRT Meeting to Discuss Alternatives
- 10/9/23 SHRA/River District PBID Discussion of potential alternative projects
- 10/12/23 Electronic version of TCC Transit Survey Distributed
- 10/12/23 Alkali Mansion Flats Neighborhood Association Meeting at the Boys and Girls Club; Dos Rios Light Rail and Alternatives discussed on agenda (20 attendees)
- 10/16/23 SHRA/SMAQMD/SacRT/River District PBID/SMUD Discussion of Alternative Transportation Projects
- 10/17/23 SHRA/SMUD Alternative Transportation Project Discussion (EV charging and car-share)
- 10/18/23 Leadership Council Meeting – Virtual (22 attendees)
- 10/18/23 River District PBID Board Meeting; Dos Rios Light Rail and Alternatives discussed on agenda
- 10/25/23 Leadership Council Special Meeting – Virtual (33 attendees)
- 10/26/23 City of Sacramento TDM Focus Group Meeting
- 10/27/23 Alternative Transportation Implementation Subcommittee – Virtual (19 attendees)
- 10/31/23 River District Transportation Survey Distributed Electronically

Attachment 2

- 11/1/23 Leadership Council Subcommittee – Virtual (16 attendees)
- 11/1/23 250 hard-copy River District Transportation Surveys distributed
- 11/2/23 Townhall Meeting at Mirasol Village (6 attendees)
- 11/2/23 Executive Leadership Convening – Plan for Light Rail Station funding; meeting led by Senator Ashby with community attendance
- 11/3/23 Alternative Transportation Implementation Subcommittee – Virtual (9 attendees)
- 11/4/23 Townhall Meeting at Mirasol Village (3 attendees)
- 11/7/23 Townhall Meeting at Track 281 (4 attendees)
- 11/8/23 Leadership Council Subcommittee – Virtual (22 attendees)
- 11/10/23 Townhall Meeting at Mirasol Village (6 attendees)
- 11/13/23 Leadership Council Subcommittee – Virtual (22 attendees)
- 11/13/23 SacRT Board Meeting – Community speaks in strong support of Dos Rios light rail station,
- 11/14/23 Emergency Leadership Council Subcommittee – Virtual (25 attendees)
- 11/20/23 SHRA confirms with SacRT two-year minimum timeline to purchase new electric buses

SURVEY RESULTS

A total of 85 transportation surveys were completed and returned; 69 respondents use light rail or bus regularly, and lack of access/distance to stop was identified as the major barrier to use.



Administrative Offices

1102 Q Street
Sacramento, CA 95811
916-321-2800

Equal Opportunity Employer

Human Resources

2810 O Street
Sacramento, CA 95816
916-556-0299

Mailing Address

P.O. Box 2110
Sacramento, CA 95812

Attachment 2.2

November 29, 2023

LaShelle Dozier
Executive Director
Sacramento Housing and Redevelopment Agent
801 12th Street
Sacramento, CA 95814

Dear Ms. Dozier,

At your staff's request, the purpose of this letter is to follow up to the SHRA letter to the Strategic Growth Council (SGC) dated November 21, 2023.

Since 2015, SacRT has been a primary promoter, and would be implementer, of the Dos Rios Light Rail Station. Please know that SacRT's intention is and has always been to construct the light rail station, so long as sufficient funding was available. Unfortunately, with soil contamination, inflation and the rising cost, currently available funding is not sufficient.

As you recall, the SGC non-performance letter dated September 20, 2023, informed our team that the previous funding plans were not sufficient and further requests for time extensions would not be granted. They also stated that a community-led substitute project would need to be developed by Friday, December 1, 2023. To that end, SacRT has attended over a dozen stakeholder and community group meetings to refine a proposal that meets SGC's intent of a transformative climate community project.

In the weeks leading up to and immediately following the SacRT Board decision of November 13, 2023, SacRT has worked with urgency and in good faith to develop substitute projects that are deliverable, sustainable, and beneficial—both with respect to community acceptance and to GHG reduction goals. SacRT's substitute project proposal is informed by outreach conducted by members of the SIMPL group and independently by SacRT with Route 33 riders and Mirasol Village residents, which showed strong support for SacRT's proposed improvements to Route 33 as well as Route 11.

I'd also like to address and clarify a few statements that were recently circulating around, as follows:

- RE implementation timeline for a substitute project: While it is true that purchasing electric buses could take about the same time as building a light rail station, SacRT already made a commitment to use existing buses, at its own cost, to be able to expedite and implement a substitute project within six months.
- RE unexpected disappearance of bus stops and reductions in service: SacRT must follow federal regulations that require a substantial public notification and Title VI process before any reduction in service can be implemented. SacRT has not eliminated bus stops in the Mirasol Village area; access to a bus stop was recently impacted due to Mirasol Village construction, which SacRT addressed through

the relocation of the bus stop sign and coordination with construction crews and the City of Sacramento on a new red zone in front of the stop.

- RE SmaRT Ride elimination: Mirasol Village remains as a stop in the Downtown SmaRT Ride zone. In addition, SacRT is suggesting more robust service on bus route 33 and a first/last mile program versus increased SmaRT Ride coverage for Marisol Village residents. The existing SmaRT Ride is expected to continue, in some capacity.
- RE SacRT Board's direction: at its November 13, 2023 meeting, the SacRT Board of Directors voted affirmatively to move forward with option 3: "Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission, frequent service; while continuing to pursue new grant funding for the station in the future." The Board supported a request for \$10M for Dos Rios Light Rail station from SB125 as seed funding for future grants (plus additional \$6.4M already committed-\$4.3M SacRT fund, \$1M congressional fund and \$0.95M AHSC funds). Further, direction was given to prioritize Dos Rios in future competitive funding opportunities. These actions demonstrated the Board's support of the Dos Rios project. In addition, the SacRT Board Chair clearly stated his support for the Dos Rios Light Rail Station.

SacRT's proposal for a community-led substitute project will provide a mobility bridge for residents, until the Dos Rios Light Rail Station can be built. SacRT's substitute project proposal would provide substantial improvements to the mobility options of Mirasol Village residents. SacRT's substitute project proposal is attached to this document and includes:

- Frequency, hours of service and weekend service improvements to expanded bus route 33 and bus route 11.
- Purchase of six (6) Zero-Emission buses and charging infrastructure.
- First/last mile on-demand service providing subsidized rides to and from light rail stations and major transit facilities.

SacRT would like to emphasize our commitment to the Dos Rios Light Rail Station, Mirasol Village residents, and the River District in general. We believe that transit-oriented development is the key to meeting our region's GHG and VMT goals. Furthermore, we believe that an unwavering partnership between SHRA, SacRT and the community is essential to reaching our goals for new ridership and TOD development.

To ensure that the Dos Rios Light Rail Station project funding is secured in the future, SacRT is planning on applying for competitive grants in 2024, including the State of California Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 and DOT's Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. SacRT would also like to work with SHRA to request up to \$5M in the FY25 state budget appropriation from State Senator Angelique Ashby for the Project. All of these programs have funding available in 2024 and if successful, would provide full funding for the project. We look forward to close communication and support in these efforts.

Thank you for your consideration and collaboration as we continue to move this project along.

Sincerely,



Henry Li
General Manager/CEO

Cc:

Senator Angelique Ashby, Senate District 8
City of Sacramento Mayor Darrel Steinberg
SacRT Board Chair Patrick Kennedy
Councilmember Katie Valenzuela
Lynn von Koch Liebert, Executive Director, SGC
Amar Cid, Deputy Director of Community Investments, SGC



December 4, 2023

To: La Shelle Dozier, Executive Director, Sacramento Regional Housing Authority (SHRA)

CC: City of Sacramento Mayor Darrell Steinberg, Councilmember Katie Valenzuela (District 4), Senator Angelique Ashby, Senate District 8); Henry Li, CEO SacRT

From: Amar Cid, Deputy Director of Community Investments and Planning, CA Strategic Growth Council (SGC)

Re: TCC SIMPL Project #2 Non-Performance Notification and Alternative Transportation Project – SHRA Extension Request 11/22/23

Dear Ms. Dozier,

Thank you for your recent response letter dated November 22, 2023, where you reported on community engagement and dialogue with SIMPL Project Area residents and community partners while requesting a 60-day extension to the upcoming December 1 deadline for the corrective action plan. We acknowledge the challenge and efforts involved in making the TCC SIMPL Project #2 a success and appreciate the continued conversations.

Your notes and depiction of the community's stance regarding the delayed light rail station are received. Considering the past month's events, the Strategic Growth Council (SGC) grants SHRA and project partners the requested 60-day extension to deliver an acceptable budget and a clear path to project completion. SGC recognizes the importance of the Dos Rios Light Rail Station and remains committed to supporting its completion alongside the community. However, as noted in our previous letter, we welcome alternative transportation project proposals in the revised plans, whether solely or in conjunction with the station dependent on the outcome of actions to solve the funding gap. Alternative projects worth incorporating would be those raised by the community and delivering immediate, more permanent improvements and substantially retain the intended transportation benefits to the extent possible (e.g., improved/connecting pedestrian and bicycling infrastructure in the Project Area).



CALIFORNIA STRATEGIC GROWTH COUNCIL

With the extension, SHRA must submit an amended corrective action plan and prepare a draft amendment request consistent with the plan no later than Thursday, February 1, 2024, including a project justification and narrative, a revised detailed budget and work plan, and a description of the community engagement and decision-making process leading to the proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Amar Cid", with a large, stylized initial "A" and a wavy line extending to the right.

Amar Cid
Deputy Director, Community Investments and Planning
CA Strategic Growth Council



Dos Rios Light Rail Station Reconsideration

SacRT Board of Directors 1/8/2024

Contents

1. Dos Rios Light Rail Station Background to Date
2. Reconsideration Request and New Developments since November Board Meeting
3. Board Discussion & Recommendation

Dos Rios Light Rail Station Reconsideration

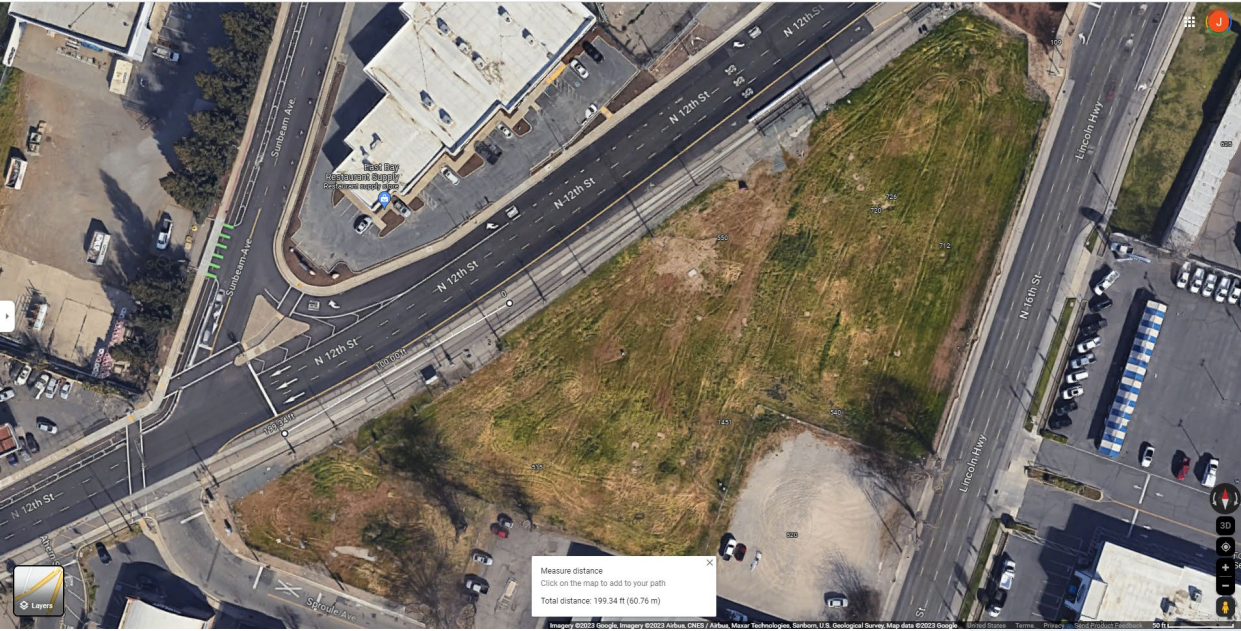
SacRT Board of Directors 1/8/2024



Project Background and Schedule to Date

City of
SACRAMENTO





- Realign and construct 1400 feet of track
- Relocate turnout
- Replace overhead catenary
- Shutdown of the system during construction with flaggers & shuttle

- Install signaling and communication system
- Adjacent intersection slope and signal modifications
- Construct station platform
- Install station amenities



Light Rail Station Project Scope

2018	SHRA Awarded \$23 million TCC Grant with SacRT as a \$17M subrecipient for the Light Rail Station
March 2020	COVID-19 Beginning of Site Cleanup & Construction Cost Inflation
May 2022	Revised Final Design and \$43M Total Construction Cost Estimate - \$19M Shortfall
August 2023	Dept. of Toxic Substances issues site access approval
September 2023	SGC Issues non-performance letter and requires a secured funding plan or Alternate project by December 1st
Nov 2023	SacRT Board Votes to support Alternate Project (Bus frequency improvements and zero-emission buses)
Dec 2023	SGC responded and granted a 60-day extension (response due February 1) SACOG recommended approval of \$10M in SB125 funds towards Dos Rios Senator Ashby agreed to support SacRT's proposal to request TIRCP Cycle 7 funding for Dos Rios Invitation for bids released

Summarized Project Timeline to Date



Reconsideration Request and New Developments Since November SacRT Board Meeting

City of
SACRAMENTO



- Previous deadline to respond to SGC with corrective action plan was December 1, 2023
 - On December 4, 2023, the SGC responded and granted a 60-day extension (February 1, 2024)
- In the letter granting an extension, SGC states that alternative projects must meet several criteria including full community support and permanency
 - Bus Route might not meet criteria anymore

Deadline Extension & Alternative Project Grant Compliance

- SacRT submitted a request for \$10M in SB 125 funding for Dos Rios Light Rail Station
 - At the December 11th meeting, the SACOG Board approved SacRT's request to allocate \$10M towards the Dos Rios Light Rail Station
 - Increases total available budget to \$33.8M

Available Funding	
Funding Program	Funding Amount
Transformative Climate Communities (TCC)	\$17,578,243
Affordable Housing Sustainable Communities (AHSC)	\$940,000
SacRT Funds	\$4,241,554
Congressional Directed Request (Matsui) *	\$1,000,000
SB 125 (from SacRT's allocation)	\$10,000,000
Possible Available Funding	\$33,759,797

* Not yet awarded

SB125 Funding Awarded

Several grant opportunities are available in 2024, which Dos Rios would be highly competitive:

1. RAISE Grant
2. TIRCP Cycle 7
3. EPA Community Change Grant

Senator Ashby has committed to advocate for the Dos Rios Light Rail Project on future competitive grant solicitations

- More than \$100M in leveraged funding from other grants allocated to projects within the Project boundaries.
 - All contingent upon construction of Dos Rios Light Rail Station
 - SHRA indicated that not building the Station may jeopardize meeting grant performance requirements and disqualify them from future funding opportunities



Project Leveraging for TCC and other Grants

SacRT staff has continued to perform value engineering analysis. The following cost reductions have been identified.

1. Third-party flagging contract recently obtained for better cost estimate.
2. Refinement of project schedule to decrease number of working days.

Reduction of **\$1.2M** in overall Project estimate.

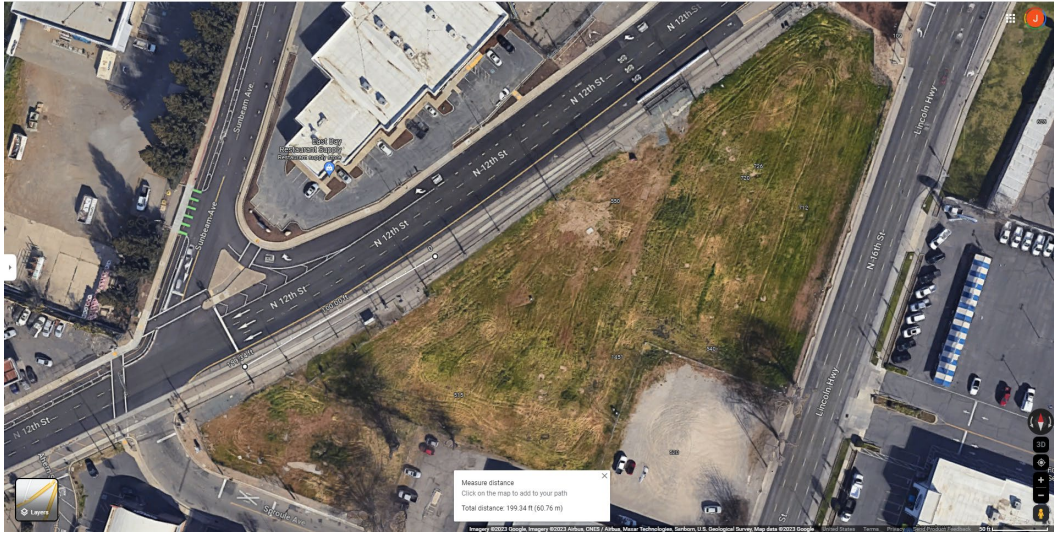
Project shortfall now estimated at \$8M.

Project Cost Estimate
Construction Cost Estimate: \$22M
Contingency & Risk: \$8M**
Project Admin, Bus Bridge & Flagging: \$10M*
Construction Site Management: \$3M
Fully Burdened Cost Estimate: \$43M

*Cost reductions identified

**Potential cost reductions identified

Value Engineering & Cost Reduction



- SHRA owns the site where the Dos Rios Light Rail Station will be constructed, known as “the triangle” and is the lead for clean-up efforts
- SHRA has remediated the site contaminated with substances related to prior auto-centric use

- Site clean up took much longer than anticipated
- SHRA is awaiting Department of Toxic Substance Control (DTSC) approval of the final close out report
- SHRA will continue to be responsible to remediate the soil on SHRA “triangle” property where light rail station will be located under property easement
- Site Management Plan included in the Dos Rios Light Rail Station contract bid documents
 - bid item for excavation of contaminated soil (lead) as needed
- SHRA is required to install filter fabric and aggregate base over the construction staging area – proper method for covering the affected soil

Site Cleanup Status & Risk

1. Two-month extension approved by SGC
2. \$10M in SB125 funding available to the Project
3. Bids released
4. SGC advises that alternative projects will require “permanency”
5. Viable future grant opportunities including RAISE, TIRCP Cycle 7, and EPA Community Change grant – with advocacy of Senator Ashby
6. \$100M in leverage funding tied to the Project
7. Cost efficiencies and value engineering resulting in cost reduction of at least \$1.2M

Summary

Staff recommends that the Board take the following action:

1.Motion to Reconsider – Staff recommends that the Board approve Director Jennings’ motion to reconsider the Board’s November 13, 2023 vote.

2.If the Board approves the Motion to Reconsider - Staff recommends that the Board then rescind the motion approved at the November 13, 2023 Board meeting to move forward with a substitute project, that includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission vehicles, frequent service, while continuing to pursue new grant funding for the station in the future and that the Board direct the General Manager/CEO to allocate sufficient funding to fill the budget shortfall and proceed with the construction of the Dos Rios Light Rail Station Project.

Thank You and Discussion