

# Memorandum

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** September 26-27, 2012

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

**From:** NORMA ORTEGA  
Chief Financial Officer

**Prepared by:** Ryan Chamberlain  
Division Chief  
Transportation Planning

**Subject:** **TRADE CORRIDORS IMPROVEMENT FUND-PROJECT BASELINE AMENDMENT  
RESOLUTION TCIF-P-1213-06, AMENDING RESOLUTIONS TCIF-P-1112-18  
TCIF-P-1112-07, TCIF-P-0910-08 AND TCIF-P-0809-04B**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) amend the Trade Corridors Improvement Fund (TCIF) Project Baseline Agreement for Project 75, Southline Rail Improvements – Mainline Improvements (PPNO 2103) in San Diego County. The San Diego Border Region Consensus Group concurs with this amendment and the requested changes.

## **ISSUE:**

The San Diego Association of Governments (SANDAG) proposes to amend the TCIF Project Baseline Agreement for Project 75, Southline Rail Improvements – Mainline Improvements (Southline) to update the schedule for Phase 3 - Palomar Siding and Mainline Track Improvements.

## **BACKGROUND:**

The Southline project, located in the cities of San Diego, National City, and Chula Vista, will increase freight capacity (goods movement) on the South Line. Demand for goods movement by rail, especially from northern Baja California, will soon surpass the existing capacity of the South Line. Regional consumption of bulk commodities, along with demand for these same commodities in northern Baja California, Mexico, has been and is expected to continue to increase. Increasing freight service will accommodate this capacity demand and prevent the diversion of much of this traffic to trucks, which would tax the already congested border crossings, regional freeways, and arterials.

The project was adopted in the TCIF Program by the Commission on April 10, 2008, under Resolution TCIF-P-0708-01. A Baseline Agreement was executed between SANDAG, the Department, and the Commission; and approved on October 29, 2008, under Resolution TCIF-P-0809-04B. An amendment to the Baseline Agreement was approved on April 7, 2010, under Resolution TCIF-P-0910-08, to split the project into three phases and update the delivery schedule. A second amendment to the Baseline Agreement was approved on September 15, 2011, under Resolution TCIF-P-1112-07 to split Phase 3, into Phases 3 and 4. A third amendment to the Baseline Agreement was approved on February 22, 2012, to update the project schedule for Phase 3, move a portion of the work from Phase 4 to Phase 3, and update the cost and funding plan for Phase

3 and Phase 4. Environmental approval for future consideration of funding was approved by the Commission on April 8, 2010 under Resolution E-10-30, and allocations were approved for Phases I and II on January 20, 2011, under Resolution TCIF-A-1011-02, and for Phase 3 on February 23, 2012, under Resolution TCIF-A-1112-07.

The construction for Phase 3 has not yet begun due to delays with the Metropolitan Transit System (MTS) Trolley project with which the Phase 3 improvements are combined. The South Line Freight Carrier shares the same rail tracks with local MTS Trolley Operations; therefore, the region is carefully coordinating the Phase 3 improvements as to not disrupt either the trolley or freight operations. For this reason, this proposed amendment to the February 2012 Amended Baseline agreement updates the schedule dates for Phase 3 of the South Line Mainline. By combining the TCIF Freight improvements with the concurrent Trolley projects, SANDAG is able to maximize efficiency of the construction efforts and lessen the impacts to the operators and the community.

The proposed amendment revises the project schedule as shown in the following table:

<b>Project Milestone</b>	<b>Current Approved</b>	<b>Proposed</b>	<b>Change</b>
Begin Environmental Phase	07/01/08	07/01/08	No Change
End Environmental Phase	04/01/10	04/01/10	No Change
Begin Design Phase	08/01/09	04/03/10	8 Months
End Design Phase	03/31/12	09/10/12	6 Months
Begin Right of Way Phase	N/A	N/A	N/A
End Right of Way Phase	N/A	N/A	N/A
Begin Construction Phase	08/28/12	03/18/13	7 Months
End Construction Phase	03/03/14	12/22/14	9 Months
Begin Closeout Phase	03/04/14	12/23/14	9 Months
End Closeout Phase	03/31/15	12/21/15	8 Months

**RESOLUTION TCIF-P-1213-06**

Be it Resolved, that the California Transportation Commission does hereby amend the Trade Corridors Improvement Fund Baseline Agreement for Project 75, Southline Rail Improvements - Mainline Improvements (PPNO 2103), in accordance with the changes as described and illustrated.

Attachment



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July 30, 2012

Ms. Dawn Chesser  
TCIF Program Leader  
California Department of Transportation  
1120 N Street  
Sacramento, CA 95814

MEMBER AGENCIES

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Carlsbad  
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Dear Ms. Chesser:

**SUBJECT:** South Line – Mainline Freight Improvement Project  
Proposed Amendment Number 4 to the Baseline Agreement,  
July 2012

Please accept this letter of support for the attached/revised Project Programming Request (PPR) document outlining adjustments for Phase 3 of the South Line Mainline Rail Project for presentation at the September 2012 California Transportation Commission (CTC) meeting.

The TCIF-funded South Line Mainline Freight Improvement project (South Line) is currently divided into the following 4 phases:

- Phase 1: Aerial Cabling Project (TCIF Funding: \$10.5 million)
- Phase 2: Signaling for Reverse Running and Initial Track Improvements (TCIF Funding: \$15.5 million)
- Phase 3: Palomar Siding and Mainline Track Improvements (TCIF Funding: \$5.4 million)
- Phase 4: Final Palomar Siding Track Improvements and System Upgrades (TCIF Funding: \$66.66 million, Total project cost: \$75.63 million)

Phases 1 and 2 of the project are currently in construction and have received an allocation of TCIF funds. Phase 3 of the project received an allocation of TCIF funds at the February 2012 CTC meeting, and construction has not yet begun due to delays in the Metropolitan Transit System (MTS) Trolley project with which the Phase 3 improvements are combined. Kindly note that the South Line Freight Carrier shares the same rail tracks with local MTS Trolley Operations; therefore, the region is carefully coordinating the Phase 3 improvements as to not disrupt either the trolley or freight operations. For this reason, this proposed amendment to the February 2012 Amended Baseline Agreement updates the schedule dates for Phase 3 of the South Line Mainline. As previously documented, by combining the TCIF Freight improvements with concurrent Trolley projects, SANDAG is able to maximize efficiency of the construction efforts and lessen the impacts to the operators and community.

The overall project TCIF scope remains within the parameters of the original CTC-approved project and, as such, will deliver the benefits (outcomes) committed to by SANDAG as part of the original Baseline Agreement; the overall TCIF funding would remain \$98.06 million, and the total project cost of \$107.3 million also remains the same.

PROJECT SCOPE CHANGES: No scope changes are required as part of this Amendment request.

PROJECT COST AND SCHEDULE: The Phase 3 schedule has been updated to reflect the delay to the project. There is no change to the schedule for Phase 4 as part of this Amendment, and, therefore, completion of the overall project remains on schedule.

It is anticipated that the total TCIF funding for the overall project would remain \$98.06 million with the total project cost of \$107.3 million.

An updated PPR form for Phase 3 is attached.

Approval of this request will ensure that the construction schedules for this project can move forward. Thank you for your ongoing support and our TCIF team is available to address any questions you may have.

Sincerely,



CHRISTINA CASGAR  
Gateway Coordinator for the San Diego Border Region

CCA/dsn

cc: Lauren Clausson, Division of Rail  
Jan Bolivar, Division of Rail  
Maura Twomey, California Transportation Commission

Attachments