EST. 1973 SACRAMENTO REGIONAL TRANSIT

STAFF REPORT

DATE:	November 9, 2026
TO:	Sacramento Regional Transit Board of Directors
FROM:	Laura Ham, Senior VP, Planning, Grants and Procurement
SUBJ:	AUTHORIZATION FOR THE GENERAL MANAGER/CEO TO NEGOTIATE AND EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SACRAMENTO FOR SACRAMENTO VALLEY STATION TRANSIT IMPROVEMENTS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Authorizing the General Manager/CEO to negotiate and execute a Memorandum of Understanding (MOU), and any related agreements, with the City of Sacramento (City) for implementation of the Sacramento Valley Station (SVS) Phase 3.1 Transit Improvements Project, contingent upon grant funding.

FISCAL IMPACT

There is no fiscal impact at this time. Any future funding transfer or reallocation will be subject to applicable approvals and an interagency MOU between the City and SacRT.

DISCUSSION

The purpose of this report is to inform the Board of Directors regarding the City's proposed Solutions for Congested Corridors Program (SCCP) Cycle 5 grant application for Sacramento Valley Station Phase 3.1 Transit Improvements and to seek authorization for the General Manager/CEO to negotiate and execute an MOU establishing the respective roles and responsibilities of SacRT and the City for design, construction, project delivery, and operational coordination.

The City of Sacramento and SacRT have collaborated for more than two decades to advance the SVS Master Plan. As part of SVS Phase 3.1 improvements, the City is seeking up to $32.5 million in SCCP Cycle 5 funding to relocate and reconstruct the existing SacRT light rail station and associated track, power, and signal infrastructure. The proposed project would realign the light rail system generally from the vicinity of 5th and H Streets, north along the eastern edge of the station site, and east along F Street to 7th Street, while integrating with other planned Phase 3.1 improvements, including storm and sewer infrastructure, a new passenger pick-up/drop-off facility, and related site improvements.

The project supports long-term regional mobility objectives by improving connections between light rail, regional bus service, passenger rail, active transportation facilities, and future development within the Railyards and surrounding districts. The proposed track configuration also supports future operational flexibility and system expansion.

The SacRT Gold and Green Line serves the growing Railyards and River District areas and is envisioned for future extension to Sacramento International Airport. In the near term, the project will enhance connectivity between Sacramento Valley Station, regional transit services, new residential and commercial development, and the future soccer stadium district.

Because the SCCP Cycle 5 application requires demonstration of agency coordination and readiness to deliver the project, City and SacRT staff have been developing a framework for project implementation should grant funding be awarded. Staff is requesting authority for the General Manager/CEO to negotiate and execute the MOU now to demonstrate organizational commitment and avoid delays between grant award and project initiation. Delegating this authority will allow SacRT and the City to efficiently finalize implementation agreements while preserving the Board's oversight of any future actions that would materially increase SacRT's financial obligations or require additional budget authority.

Key Terms Supporting SacRT Participation:

Throughout project development, SacRT staff have worked closely with City staff to address several critical operational concerns. Based on recent coordination, the following project commitments have been identified:

Service Continuity During Construction

The City has revised the project approach to maintain operation of the existing Sacramento Valley Station light rail station during the majority of the construction period. Current estimates indicate only a limited temporary station closure of approximately one month may be required, significantly reducing impacts compared to earlier concepts that anticipated a much longer closure period.

Maintaining transit service throughout construction is a key consideration for SacRT due to the station's importance to regional connectivity and downtown access.

Storage Track Accommodations

The City has identified a solution to accommodate SacRT's storage track requirements utilizing the double track on F Street that will be constructed as a part of the project. This accommodation is essential to maintaining operational flexibility and minimizing impacts to rail operations during project delivery.

Funding Commitments

The Project has identified funding commitments totaling $31.3 million in State Transit and Intercity Rail Capital Program (TIRCP) awards for construction. This includes $26.2 million awarded directly to the City through TIRCP Cycles 5 and 6 and $5.1 million awarded to SacRT through a joint TIRCP Cycle 5 application submitted by SacRT, the

City and Capitol Corridor Joint Powers Authority (CCJPA). The $5.1 million was awarded as part of a larger funding package for SVS improvements and may be transferred to the Project, pending required approvals and an interagency MOU between the City and SacRT.

If SCCP funding is awarded, the MOU will establish the terms and conditions governing the use and administration of the previously awarded TIRCP funds and clearly define each agency's roles, responsibilities, and obligations. Under the proposed arrangement, the City will assume responsibility and serve as the lead and implementing agency for the Project, including project management, implementation, and delivery, as well as the other SVS improvements the City is separately responsible for delivering. As the implementing agency, the City will provide evidence of its ability to absorb any project cost overruns and deliver the Project without additional SCCP funding. The MOU will also establish accountability for applicable funding, project delivery, and reporting requirements. No funding transfer or reallocation is proposed for approval at this time. Any future action to redirect SacRT's previously awarded $5.1 million to the Project will be subject to the MOU and applicable approvals.

Project Delivery Responsibilities

Under the proposed framework:

- The City will serve as lead agency for project delivery.
- The City will be responsible for project redesign efforts required to advance the revised alignment.
- The City will lead environmental review activities and preparation of documentation necessary to support project implementation.
- The City will manage construction delivery.
- The City will assume responsibility for project cost overruns.

SacRT will continue to provide technical review, coordination, and operational expertise to ensure all transit infrastructure is designed and constructed in accordance with SacRT standards and requirements.

Future Agreement Framework

Should SCCP funding be awarded, SacRT and the City will enter into an MOU and any related agreements defining:

- Agency roles and responsibilities;
- Design review and approval processes;
- Construction coordination procedures;
- Operational requirements during construction;
- Cost responsibilities;
- Risk allocation and indemnification provisions;
- Future ownership, maintenance, and operational obligations; and
- Any other terms necessary for successful project implementation.

Benefits to SacRT and the Region

The proposed project is expected to:

- Improve regional multimodal connectivity.

- Maintain and enhance access to Sacramento Valley Station.
- Support future transit expansion opportunities.
- Improve operational flexibility for the light rail system.
- Support continued development within the Railyards and surrounding districts.
- Advance state mobility and climate objectives.
- Leverage significant state grant funding for transportation infrastructure improvements.

The project also supports SacRT's broader objective of advancing multiple regional transportation investments. Staff believes the SCCP program represents an important funding opportunity for several high-priority regional projects and has coordinated with regional partners to support a competitive package of applications.

Environmental Considerations

Environmental review and any required CEQA documentation associated with the revised project will be led by the City as part of project development and delivery. The City does not intend to pursue NEPA clearance for the project as federal funding is not envisioned as part of the overall funding plan for the project.

Recommended Board Action

Adopt Resolution No. 2026-11-135 authorizing the General Manager/CEO to negotiate and execute a Memorandum of Understanding and any related agreements with the City of Sacramento for the Sacramento Valley Station Phase 3.1 Transit Improvements Project, including the SCCP Cycle 5 grant-funded improvements, subject to legal review and within approved budget authority.

This authorization is requested at this time to support the City's SCCP Cycle 5 grant application schedule and to allow timely execution of project agreements should funding be awarded, while ensuring SacRT's operational, technical, and financial interests are appropriately represented in the final agreement.

RESOLUTION NO. 2026-11-135

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

November 9, 2026

AUTHORIZATION FOR THE GENERAL MANAGER/CEO TO NEGOTIATE AND EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SACRAMENTO FOR SACRAMENTO VALLEY STATION TRANSIT IMPROVEMENTS

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

WHEREAS, the Sacramento Regional Transit District ("SacRT") and the City of Sacramento ("City") have collaborated for more than two decades on the planning and development of the Sacramento Valley Station (SVS) transportation hub and surrounding improvements; and

WHEREAS, the City intends to submit an application to the California Department of Transportation's Solutions for Congested Corridors Program (SCCP) Cycle 5 seeking funding for the Sacramento Valley Station Phase 3.1 Transit Improvements Project, including the relocation and reconstruction of the existing light rail station and associated track, power, and signal infrastructure; and

WHEREAS, the proposed project will improve multimodal connectivity between light rail, passenger rail, regional bus services, active transportation facilities, and future development within the Railyards and surrounding districts; and

WHEREAS, the proposed project supports future operational flexibility for SacRT's light rail system, including future integration of Gold Line and Green Line services at Sacramento Valley Station and improved regional transit connectivity; and

WHEREAS, SacRT has worked cooperatively with the City to address critical operational requirements associated with the proposed project, including maintaining light rail service during the majority of construction activities and providing accommodations for temporary storage track needs; and

WHEREAS, the City has proposed serving as the lead agency for project delivery, including responsibility for project redesign, environmental documentation, construction management, and project cost overruns associated with the proposed improvements; and

WHEREAS, implementation of the project will require formal agreements between SacRT and the City defining each agency's respective roles, responsibilities, operational requirements, cost obligations, risk allocation, design review authority, construction

coordination procedures, ownership interests, and other matters necessary for successful project delivery; and

WHEREAS, the Board of Directors finds that authorizing the General Manager/Chief Executive Officer to negotiate and execute such agreements is in the best interests of SacRT and will facilitate advancement of a significant regional transportation investment while protecting SacRT's operational and financial interests; and

WHEREAS, timely execution of an MOU and related project agreements is necessary to demonstrate agency commitment, support the City's SCCP Cycle 5 funding application, and facilitate project implementation should grant funding be awarded.

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

THAT, the General Manager/Chief Executive Officer is hereby authorized to negotiate and execute a Memorandum of Understanding and any related implementing agreements with the City of Sacramento for the Sacramento Valley Station Phase 3.1 Transit Improvements Project, subject to legal review and approval as to form by SacRT's General Counsel.

The Memorandum of Understanding shall substantially provide that:

a. The City shall serve as lead agency for delivery of the Sacramento Valley Station Phase 3.1 Transit Improvements Project;
b. The City shall be responsible for managing and funding project redesign activities necessary to implement the revised project configuration;
c. The City shall lead preparation of environmental documentation and related project approvals necessary for implementation of the project;
d. The City shall lead construction delivery and project management activities;
e. The City shall be responsible for project cost overruns and funding requirements beyond secured grant and project funding sources;
f. All track, signal, traction power, communications, and related rail infrastructure shall be designed, constructed, tested, and commissioned in accordance with SacRT requirements, standards, and approval processes;
g. SacRT shall retain authority over operational requirements necessary to maintain safe and reliable transit service during project implementation; and
h. The parties shall establish procedures for technical review, coordination, construction staging, service continuity, access requirements, maintenance responsibilities, and future ownership of project assets.

Any future agreement that would materially increase SacRT's financial obligations, require additional budget authority, commit SacRT to project funding beyond previously approved amounts, or materially alter the terms described herein shall be presented to the Board of Directors for consideration and approval.

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BOBBIE SINGH-ALLEN, Chair

A T T E S T:

HENRY LI, Secretary

By:_____
Tabetha Smith, Assistant Secretary