

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 23, 2012

Reference No.: 2.8d.(2)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

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Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT  
EXPENDITURES PER RESOLUTION G-99-25, GUIDELINES FOR ALLOCATING,  
MONITORING, AND AUDITING OF FUNDS FOR LOCAL ASSISTANCE PROJECTS  
WAIVER-12-30**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve a 20-month extension for the period of project development expenditures, to February 28, 2014, for the California State Museum of Railroad Technology project, in Sacramento County.

## **ISSUE:**

In 2010, the Commission approved Resolutions BFP-09-03 and BFP-09-09 allocating a total of \$1,545,000 for preliminary phases to the California Department of Parks and Recreation (DPR) for the State Museum Railroad Technology Proposition 116 project. Completion of preliminary work has been delayed due to issues relating to the acquisition of the necessary land and structures. Specifically, negotiations with the former railyards owner, Thomas Enterprise, could not be completed as scheduled and ultimately resulted in the default of the property by the previous owner in 2010. Soon after, Lender Inland American foreclosed on the property leading to further delays in DPR acquiring the land. New negotiations with Lender Inland American resumed in 2011 and property acquisition is expected to conclude by late 2012.

As a result of these delays in acquiring the necessary land and buildings, DPR has experienced minimal progress on the project and requests a 20-month extension to fully expend previously allocated Proposition 116 funds and complete the preliminary phases.

## **BACKGROUND:**

Resolution G-99-25, Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects, adopted by the Commission on August 18, 1999, stipulates that funds allocated for local project development or right of way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. The Commission may approve a waiver to the timely use of funds deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.