



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 9, 2025
FROM: PUBLIC WORKS DEPARTMENT WARD: 1
**SUBJECT: SPRUCE STREET GRADE SEPARATION – FEDERAL RAILROAD
ADMINISTRATION GRANT APPLICATIONS**

ISSUE:

Authorize the submittal of up to three grant applications to the Federal Railroad Administration for the Project Planning and Project Development Phase of the Spruce Street Grade Separation at Burlington Northern Santa Fe Railroad (BNSF), for a grant amount of \$2.0 million and a total project cost of \$2.5 million.

RECOMMENDATION:

That the City Council authorizes the Public Works Department to prepare and submit up to three grant applications to the Federal Railroad Administration in the amount of \$2 million for the Project Planning and Project Development Phase of the Spruce Street Grade Separation at Burlington Northern Santa Fe Railroad.

BACKGROUND:

On November 19, 2024, the City Council approved the City Council Mobility and Infrastructure Committee recommendation to approve the top three proposed Grade Separation Priority Ranking as follows: (1) Spruce Street, (2) Jackson Street, and (3) Mary Street at the Burlington Northern Santa Fe railroad (BNSF) crossings; and direct the Public Works Department to explore funding opportunities to begin the Project Approval and Environmental Documents phase of the Spruce Street grade separation.

DISCUSSION:

The Spruce Street Grade Separation Project proposes to construct a railroad underpass or overpass at Spruce Street and the BNSF railroad tracks.

On October 3, 2025, the Federal Railroad Administration (FRA) published the FY 2024–2025 Notice of Funding Opportunity for National Railroad Partnership (NRP) Program / Federal-State Partnership for Intercity Passenger Rail Program for Projects Not Located on the Northeast Corridor (FSP-National). The total program funding available for award is just over \$5B. Grant applications are due no later than 11:59 pm ET on January 7, 2026. The NRP Program requires 20% matching funds.

BNSF has a policy of assisting local agencies with grant applications for projects that are on BNSF mainline tracks and are of significance to BNSF. Public Works staff have confirmed with BNSF

that the Spruce Street grade separation meets BNSF's requirements for grant application support. BNSF will prepare the NRP Program grant application on behalf of the City at no cost to the City. The grant application will be prepared by an on-call BNSF consultant. The City estimates a total of \$2.5 million will be required to complete project work. If awarded, the Public Works Department will meet the 20% matching requirement by providing \$500,000 in Measure A funds against the \$2 million in grant funds.

Moreover, two additional future FRA grant opportunities are expected to be announced by the end of 2025, namely the Rail Crossing Elimination (RCE) Program, and the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. Both Programs also require 20% matching funds.

Staff will assess the need to apply for the RCE and the CIRSI Programs following publication of the relevant grant program documents. Should BNSF not support further FRA grant applications on behalf of the City, Public Works will retain a grant writer from the on-call panel of consultants managed by the City Manager's office.

The successful award of any of these grants will allow the Public Works Department to begin the Project Planning and Project Development phases of the project. Public Works will return to the City Council to receive authorization to begin subsequent project phases.

Project Planning activities are defined as:

- The development of a purpose and need statement; completion of conceptual engineering and other design; documentation showing that project alternatives were considered; completion of an environmental resource inventory and potential environmental concerns analysis; scale design drawings; public and stakeholder involvement; completion of an order-of-magnitude project cost estimate; and completion of an initial Project Management Plan.

Project Development activities are defined as:

- Completion of Preliminary Engineering (PE) and architectural or other design; PE drawings and specifications (scale drawings at the 30 percent design level, including track geometry as appropriate); design criteria, schematics and/or track charts that support the development of PE; work that can be funded in conjunction with developing PE, such as operations modeling, surveying, project work/management plans, preliminary cost estimates, and preliminary project schedules; completion of environmental review; and completion of applicable project management documentation (such as a project management plan, schedule, capital cost estimate, and financial plan).

FISCAL IMPACT:

The total project cost is \$2.5 million, with a 20% matching requirement. If the grant is awarded, the Public Works Department will return to the City Council to obtain approval for the related supplemental appropriations, including the use of \$500,000 in Measure A funds for the matching requirement.

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availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Spruce Street/BNSF Rail Crossing