

to fund the Project Approval and Environmental Document phase (PA&ED); and the Plans, Specifications, and Estimates (PS&E) phases of the Third Street Grade Separation project.

On December 18, 2018, the City Council approved a Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, for the PA&ED phase of the Third Street Grade Separation in the amount of \$646,649.

On June 16, 2020, the City Council approved the First Amendment to the Professional Consultant Services Agreement with HDR to amend the consultant's scope of services to prepare and submit a grant application in the amount of \$15 million to the California Transportation Commission for Senate Bill 1-Trade Corridor Enhancement Program funds.

On January 5, 2021, the City Council approved the Second Amendment to Professional Consultant Services Agreement with HDR to extend the term of the agreement through June 31, 2021, and to provide additional services for the project in the amount of \$19,500, for a total contract amount of \$666,149.

On March 23, 2021, the City Council approved the Federal Funding Cooperative Agreement with the Riverside County Transportation Commission (RCTC) for \$18 million in federal Congestion Mitigation and Air Quality Improvement Program funds for the right-of-way phase of the Third Street Grade Separation project. The report included Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement with the Western Riverside Council of Governments to increase the funding amount by \$4.25 million, to a total of \$8.25 million, for the right-of-way phase of the Third Street Grade Separation project as real estate property costs continues to increase.

On May 24, 2022, the City Council approved a Preliminary Engineering Services Agreement with BNSF Railway Company for the design phase of the Project.

On May 16, 2023, the City Council authorized the Public Works Department to submit a funding application for the 2023 Western Riverside Regional Arterials Grant Program offered by RCTC in the amount of \$12,000,000 and a funding application in the amount of \$22,000,000 to the California Transportation Commission for the Port and Freight Infrastructure Program (PFIP) Grant offered by the California State Transportation Agency (CalSTA) to construct the project.

On November 28, 2023, the City Council approved the \$12,000,000 Measure A Regional Arterials (MARA) Funding Agreement with RCTC for the construction phase of the Third Street Grade Separation Project.

On July 2, 2024, the City Council approved the Preliminary Engineering Reimbursement Agreement with Sprint Communications Company L.P. ("SCCLP") for an amount of \$143,928 and approved the Second Amendment to Preliminary Engineering Services Agreement with BNSF for \$50,000, bringing the total agreement amount to \$160,000.

DISCUSSION:

The Third Street Grade Separation project proposes to construct a railroad underpass at Third Street and the BNSF railroad tracks. Third Street will be lowered from about Vine Street to Park Avenue and a bridge will be constructed to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, a storm water pump station, and relocation of wet and dry utilities.

The project is located in the City's Innovation District and would improve freight and passenger rail, commercial trucking operations, bus transit operations and commerce within the City, resulting in increased quality of life for residents and businesses. At this at-grade crossing, traffic and pedestrian movements are often delayed while waiting for trains to move through the crossing. On average, 70 freight trains pass through this crossing every day resulting in four and one-half hours of vehicle delay and high levels of pollutants due to excessive idling. In addition to freight trains, 20 Metrolink and 2 Amtrak passenger rail trains pass through this rail crossing every day contributing to increased vehicle delay, emissions, and congestion. With the expansion of Metrolink service to the City of Perris, continued growth in passenger rail traffic is expected making this project a priority for the City and region. Working in partnership with RCTC, the Third Street Grade Separation project is just one of a series of strategic transportation improvements in the Innovation District. RCTC has funded the Downtown Metrolink Layover Facility, currently under construction, which will move Metrolink operations off the BNSF mainline to further reduce freight and commuter rail train conflicts.

The approval of Amendment No. 2 to the TUMF Program Agreement with WRCOG will increase the total funding for this Project by \$3 million bringing the total amount to \$11.25 million (\$4 million for Project Approval & Environmental Documentation (PA&ED) and Plans, Specifications, and Estimate (PS&E) phases, and \$7.25 million for the right-of-way acquisition phase).

The Third Street Grade Separation Project is currently in the Plans, Specification and Estimate (PS&E), and R/W phases. The PS&E and the Right of Way phases are anticipated to be complete by Summer 2026, and construction is anticipated to last approximately 2 years.

STRATEGIC PLAN ALIGNMENT:

This project aligns with **Strategic Priority 6 — Infrastructure, Mobility, and Connectivity** by improving safety, circulation, and providing critical infrastructure for our community to thrive and is in accordance with **Goal 6.3** — Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community's needs.

Furthermore, this project aligns with each of the five Cross -Cutting Threads as follows:

1. **Community Trust** — The Public Works Department has engaged community members regarding the Third Street Grade Separation, and the project was developed in response to prior City Council action.
2. **Equity** — This Project will benefit all who travel on Third Street. It will provide a safe and reliable roadway network to schools, shopping centers and to various neighborhoods. The project would also improve the quality of life in the surrounding neighborhood.
3. **Fiscal Responsibility** — In order to maximize local dollars, the City pursues State and Federal grant funding for large and complicated construction projects.
4. **Innovation** — This Project will permanently relocate the existing tracks; minimizing impacts to rail operations and reducing the construction duration by eliminating the need to construct temporary shoofly tracks and temporary rail crossing.
5. **Sustainability & Resiliency** — This project will make the street safer by eliminating the at - grade railroad crossing, and encourage active modes of transportation by providing sidewalk amenities that no longer traverse the railroad tracks

FISCAL IMPACT:

The total fiscal impact of this action is an increase in revenue and expenditures of \$3.0 million. Upon Council approval, an increase in revenue of \$3.0 million will be recorded and an equal amount appropriated in the TUMF Fund, Third St/BNSF Grade Separation Project revenue account number 9990119-339100 and expenditure account number 9990119-440315

The total cost of the Project is estimated at \$89.0 million for engineering; right-of-way acquisitions; City sewer, water, and electric utility relocations; and construction and construction engineering. The Project costs and funding status are summarized in Tables 1 and 2.

Table 1—Project Costs

Task	Amount (\$M)
Preliminary (PA&ED) and Final (PS&E) Engineering	\$4.0
Right-of-Way Acquisitions, Relocations and Building Demolitions	\$26.0
Construction, Utility Relocations, and Construction Engineering	\$59.0
Total	\$89.0

Table 2—Project Funding

Source	Amount (\$M)	Status
Measure A Regional Arterial Improvements from RCTC (MARA)	\$12.00	Secured
Measure A (City Funds)	0.75	Secured
State Section 190 Grade Separation	5.00	Anticipated
WRCOG TUMF (City Funds)	11.25	Secured
Burlington Northern Santa Fe Railroad (Matching Funds)	2.00	Anticipated
Federal CMAQ	18.00	Secured
Port and Freight Infrastructure Program (PFIP) Grant	22.00	Secured
Railroad Crossing Elimination Program (RCE) Grant	15.00	Secured
Highway Infra Structure Program (Takano’s office Earmark 2023)	3.0	Secured
Total	\$89.0	

Prepared by: Swetaben Patel, Principal Engineer
Approved by: Gilbert Hernandez, Public Works Director
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. Location Map
2. Amendment No. 2 TUMF Program Agreement with WRCOG