



November 17, 2025

To: Members of the Board of Directors

From: Jason Jewell, Managing Director 

Subject: Reimbursement Agreement with Union Pacific Railroad for Design and Construction of the Orcutt Road Crossover Project

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency proposes to enter into reimbursement agreements with Union Pacific Railroad for the design and construction of the Orcutt Road Crossover project in the City of San Luis Obispo.

Recommendations

Authorize the Managing Director to negotiate and execute reimbursement agreements with Union Pacific Railroad in an amount not-to-exceed \$5,944,000, for design and construction of the Orcutt Road Crossover Project, and to execute a revenue agreement with the San Luis Obispo Council of Governments in an amount not to exceed \$1,783,000, to reimburse a portion of those costs.

Discussion

In October 2024, the Coast Rail Coordinating Council received a \$4.161 million award from the 2024 Transit and Intercity Rail Capital Program (TIRCP) for the construction of the Orcutt Road Crossover project (Project). The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was designated as the implementing agency for the Project. The total Project cost of \$5.944 million includes a match of \$1.783 million in SB 125 funds from San Luis Obispo Council of Governments.

This Project will construct a new left-hand crossover, which in combination with the existing right-hand crossover, will create a universal crossover south of the San Luis Obispo Station, near the existing Orcutt Road at-grade crossing. This will provide the operational flexibility to run additional trains and introduce a more regular passenger rail service to the San Luis Obispo station. The existing right-hand crossover alone limits the type of possible train movements.

To advance and expedite the design effort for the Project, Union Pacific Railroad (UPRR) will prepare the plans, specifications, and perform construction due to safety requirements and proprietary signal system considerations along UPRR-owned right-of-way. The agreements will follow UPRR's standard template, coordinated with LOSSAN staff, and will define responsibilities for design and construction. The agreements would be valid for up to five years, contingent on the availability of funding.

Fiscal Impact

Funding for the Project is included in the LOSSAN Agency's FY 2025-26 Adopted Budget and will be provided through reimbursement from the San Luis Obispo Council of Governments and the 2024 Transit and Intercity Rail Capital Program award.

Summary

Staff recommends Board of Directors' approval to negotiate and execute reimbursement agreements with Union Pacific Railroad and a revenue agreement with San Luis Obispo Council of Governments to fund and deliver the Orcutt Road Crossover project.

Attachment

None.

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