

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 24-25, 2020

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(4), Action Item

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Division of Transportation Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR STATE ADMINISTERED STIP PROJECTS ON THE STATE HIGHWAY SYSTEM, PER STIP GUIDELINES WAIVER 20-34**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project allocation for two State-Administered projects, programmed in the State Transportation Improvement Program (STIP)?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the Commission extend the period of allocation for two State-Administered projects, programmed in the STIP as specified in the attachment.

### **BACKGROUND:**

These agencies will not be able to allocate funds by the June 30, 2020 deadline. The attachment shows the details of the projects and the explanations for the delays and the project sponsors are requesting time extensions for the period of project allocation.

Current STIP Guidelines, Resolution G-13-07, stipulate that funds programmed for all components of local grant projects or Department construction and construction support costs are available for allocation only until the end of the fiscal year identified in the STIP. The Commission may approve a waiver to the timely use of funds deadline for allocation one-time only for up to 20 months in accordance with Section 14529.8 of the Government Code.

Attachment

*“Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability”*

**Time Extension/Waiver – Project Allocation Deadline  
State Administered STIP Projects**

Project Number: 1  
County: Alameda  
District: 04  
PPNO: 0080D  
Fund Type: RIP  
Extended Amount: \$11,114,000  
Phase: Construction Support  
Number of Months Requested: 12 Months  
Extended Deadline: 06/30/2021  
Department Recommendation: Support, 12 Months

**State Route 84 Widening (South of Ruby Drive to I-680 and SR84/I-680 Interchange)**

Currently, \$11,114,000 in Regional Improvement Program (RIP) funds are programmed in Fiscal Year 2019-20 for the construction engineering phase of the SR 84 Widening (South of Ruby Drive to Interstate 680 (I-680) and SR 84/I-680 Interchange project (PPNO 0080D)). The construction engineering budget also includes local funds. Construction capital is solely funded with a variety of local funds.

As a result of the following unforeseen challenges and extraordinary circumstances due to COVID-19 situation, there have been delays in getting the project ready for delivery.

**A) Parcel Acquisitions**

The project involves acquisition of 20 parcels from 10 public and private property owners. The Right of Way (RW) contracts or possession of use agreements have already been reached with eight of those property owners. One of the properties has probate issues which could take many months to resolve through the court system. There is still a possibility that this property could go through Resolution of Necessity (RON) even after probate issues are resolved. On the other remaining property, there still are disagreements on several contract clauses of significance consequence with the other the remaining property owner. While the project team continues to work with that property owner to resolve all the outstanding issues, there is a possibility that acquisition of that parcel may need to go through a formal RON process.

Due to the COVID-19 shelter in place order, the Alameda County Courts are only hearing urgent matter cases which has resulted in significant backlogs in the court system. Therefore, resolving probate issue could take several months. The Alameda County Transportation Commission (ACTC) is the implementing agency for RW and will conduct RON hearings, if necessary. These hearings can only be conducted in person to afford the property owners the opportunity for fair and effective hearing. Depending upon how soon the COVID-19 shelter in place is relaxed/lifted, it could take up to six months to go through probate resolution and RON hearings.

**B) Utility relocations**

The project work includes relocation of Pacific Gas and Electric (PG&E) gas and electric facilities. Although the coordination with PG&E started in 2018, the execution of utility agreements has been delayed due to PG&E ongoing bankruptcy situation which has resulted in workload and staffing challenges and slow internal review process. The COVID-19 related impacts have further hampered PG&E staff’s ability to meet critical time commitments.

**C) Environmental permits**

The project will require mitigation for both upland species and aquatic resources. While the mitigation credits for the species have already been purchased, there have been delays in procuring bank credits for the loss of aquatic resources. The original plan was to buy these credits from the Collier Canyon Mitigation Bank (CCMB) which has been in development since 2011. That strategy had to be abandoned as the approval timeline for CCMB as a mitigation bank has slipped and can longer meet the project delivery commitments. In June 2019, after consulting with CCMB, the Department and the permitting agencies, ACTC decided to pursue a permittee-responsible mitigation strategy at the Collier Canyon site. While reviewing that proposal, the California Department of Fish and Wildlife (CDFW) required a complete replacement or retrofit of an existing 660-foot long, double barreled box culvert on the Vallecitos Creek that diagonally traverses the I-680/SR 84 interchange. Upon further analysis, it was determined that spanning the box culvert with a new bridge will be more cost-effective and environmentally responsible. However, the final decision to change the strategy to proceed with a bridge in lieu of the box culvert extension and responding to CDFW comments was delayed due to administrative error on the part of CDFW when it transmitted its decision and comments to the wrong address. Due to this delay, coupled with CDFW’s workload priorities and staffing challenges resulting from COVID-19, the CDFW permits are likely to be delayed by about six months.

As a result of these delays, the project delivery schedule has been revised as follows:

<b>Milestone</b>	<b>Target Date</b>
Complete Design	January 2021
Right of Way Certification	March 2021
Ready-to-List	March 2021
Allocation	May 2021

Therefore, the ACTC and the Department are requesting a 12-month time extension for the allocation of \$11,114,000 RIP funds programmed to Construction Support from June 30, 2020 to June 30, 2021.

Project Number: 2  
County: San Benito  
District: 05  
PPNO: 0297  
Fund Type: IIP and RIP  
Extended Amount: \$58,700,000 (\$44,000,000 IIP/\$14,700,000 RIP)  
Phase: Construction  
Number of Months Requested: 12 Months  
Extended Deadline: 06/30/2021  
Department Recommendation: Support, 12 Months

### **San Benito Route 156 Improvement**

Currently, \$14,700,000 in STIP Regional Improvement Program (RIP) funds and \$44,000,000 in Interregion Improvement Program (IIP) funds are programmed to the construction phase for San Benito Route 156 Improvement Project in Fiscal Year 2019-20, in San Benito County.

The Department will not be able to request an allocation for funds by the June 30, 2020 deadline. The Department is requesting extensions, and the San Benito Council of Governments concurs.

The design of the project is complete and environmental clearances have been received. The reason for the delay is due to RW. There are three remaining parcels that are required for the project that are going through the condemnation process. The Department continues to negotiate with grantors but the COVID-19 pandemic crisis has created difficulties in communications. The Resolution of Necessities process has begun and/but is also challenging in the current COVID-19 environment and will delay the process due to court schedules and social distancing restrictions. Utility relocations are delayed as a result of utility companies being nonresponsive and limited capabilities by staff in teleworking environment.

Due to the additional time necessary to clear RW, the Department is requesting a 12-month time extension to allocate funds programmed in 2019-20 extended to June 30, 2021.