

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(2), Action Item

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR LOCALLY-ADMINISTERED STATE TRANSPORTATION
IMPROVEMENT PROGRAM PROJECTS, OFF THE STATE HIGHWAY SYSTEM,
PER STIP GUIDELINES
WAIVER 25-102**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for five locally-administered State Transportation Improvement Program (STIP) projects, for the time periods as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project development expenditure for five locally-administered STIP projects, for the time periods as identified in the attachment.

BACKGROUND:

In March, May, and June 2023, the Commission allocated \$6,775,000 for the five locally-administered STIP projects identified in the attachment. The responsible agencies were unable to complete the phase within the expenditure period. The attachment describes the details of the projects and the explanations for the delays.

Current STIP Guidelines, adopted by the Commission stipulate that funds programmed for all components of local grant projects are available for expenditure only until the end of the second Fiscal Year following the year of allocation. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Time Extension/Waiver – Project Development Expenditure
State Transportation Improvement Program**

Project Number: 1
Applicant: Mendocino County
County: Mendocino
District: 1
PPNO: 4590
Allocation Amount: \$1,800,000
Remaining Balance: \$1,750,134
Phase: Plans, Specifications, and Estimate
Allocation Date: 05/18/2023
Allocation Resolution: FP-22-74
Number of Months Requested: 20 Months
Extended Deadline: 02/28/2027
Department Recommendation: Support

North State Street Intersection Improvements: Phase 1 project

The Mendocino County (County) requests a 20-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the North State Street Intersection Improvements: Phase 1 project. The County experienced unforeseen delays during the design phase.

The project proposes to install medians, landscape and aesthetic features, and roundabouts at the intersections of Kuki Lane and the southbound United States Highway 101 interchange.

The project is significantly constrained by the existing infrastructure, including state highway ramps, local roads and businesses, utilities, the storm drain system, and limited roadway right of way. Design changes have been necessary to accommodate stakeholder input, with delays in the design process primarily due to the time required for stakeholders to respond. The project requires new Right of Way (RW), changes to the Department's RW and access control, realignment of roads and ramps, utility relocations, and modifications to private property access. Extensive coordination and multiple design iterations were necessary to resolve these issues. To prevent future litigation, the County has provided stakeholders with extended review periods to address unforeseen impacts. The environmental documents and technical studies also required additional review time. Complex utility and drainage issues have necessitated more research and analysis than initially anticipated. The County needs more time to proceed accordingly.

Therefore, the County is requesting a 20-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2025 to February 28, 2027.

Project Number: 2
Applicant: City of Susanville
County: Lassen
District: 2
PPNO: 2480
Allocation Amount: \$300,000
Remaining Balance: \$294,597
Phase: Plans, Specifications, and Estimate
Allocation Date: 06/29/2023
Allocation Resolution: FP-22-100
Number of Months Requested: 12 Months
Extended Deadline: 06/30/2026
Department Recommendation: Support

Riverside Drive Reconstruction & Class I Ped-Bike lane project

The City of Susanville (City) requests a 12-month time extension for the period of project development expenditure for the PS&E phase of the Riverside Drive Reconstruction & Class I Ped-Bike lane project. The City experienced unforeseen delays in securing engineering services.

The project proposes to construct a separate Class I bicycle and pedestrian path with a pedestrian bridge, lighting, and signage.

The City has faced unexpected delays in securing engineering services for the pedestrian bridge abutments, piers, and footings. In January 2024, the City-owned golf course clubhouse experienced flooding, requiring engineering staff to secure abatement contractors and oversee remediation work. This emergency led to a 6-month setback in the project's progress. In November 2024, the St. Francis Hotel in Susanville sustained fire damage, prompting engineering staff to obtain a structural engineer's report and oversee summary abatement work to address immediate hazards. Due to the property owner's inability to complete the full abatement, the City was forced to assume responsibility for the remaining work. Engineering staff secured hazardous materials inspection services and prepared bid documents and specifications for the demolition of the remaining structure, resulting in an additional 6-month delay to the project. The City anticipates receiving proposals in the coming weeks for the required engineering services to be obtained. However, the final design work is not expected to be finalized until April 2026.

Therefore, the City is requesting a 12-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2025 to June 30, 2026.

Project Number: 3
Applicant: City of Mt. Shasta
County: Siskiyou
District: 2
PPNO: 2594
Allocation Amount: \$100,000
Remaining Balance: \$100,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 05/18/2023
Allocation Resolution: FP-22-74
Number of Months Requested: 9 Months
Extended Deadline: 03/31/2026
Department Recommendation: Support

Lake Street Reconstruction project

The City of Mt. Shasta (City) requests a 9-month time extension for the period of project development expenditure for the PS&E phase of the Lake Street Reconstruction project. The City experienced unforeseen delays during the project solicitation process.

The project proposes to rehabilitate existing pavement, sections of curb, gutter, and sidewalks.

The City is dedicated to managing two separate projects on Lake Street. One is this STIP project, and the other is the Complete Streets Visioning project, called Lake Street 4 All. This project is funded through the Sustainable Communities Planning Grant via the Office of Regional and Community Planning. The City's original plan was to hire a design firm for the STIP project in the fall of 2023. However, in August 2023, the City was awarded a Sustainable Communities Planning Grant of \$140,000 to conceptualize more comprehensive complete streets components for Lake Street. The City promptly hired a planning and engineering team for the Lake Street 4 All project in August 2024. This project is well underway, and conceptual designs are being developed. In an effort to design these projects in concert, the City assumed that the planning and design team for the Lake Street 4 All project could design the STIP project. On April 17, 2025, the City identified that a separate solicitation process would need to occur for the STIP project to comply with California Government Code 4527 and public contracting code, which will pose a risk to the PS&E funds with a June 30, 2025, deadline. The City is dedicated to resolving this issue and needs additional time to move forward appropriately.

Therefore, the City is requesting a 9-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2025 to March 31, 2026.

Project Number: 4
Applicant: Siskiyou County
County: Siskiyou
District: 2
PPNO: 2603
Allocation Amount: \$75,000
Remaining Balance: \$50,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 06/29/2023
Allocation Resolution: FP-22-100
Number of Months Requested: 6 Months
Extended Deadline: 12/31/2025
Department Recommendation: Support

Jackson Ranch Road Rehabilitation project

The Siskiyou County (County) requests a 6-month time extension for the period of project development expenditure for the PS&E phase of the Jackson Ranch Road Rehabilitation project. The County experienced unforeseen delays during the design phase.

The project proposes to restore five miles of existing roadway by pulverizing existing asphalt, shaping and re-compacting, overlaying, and striping.

The PS&E phase has been delayed six months due to unforeseen circumstances of the Klamath River Renewal Corporation Dam Removal project. It required unexpected engineering staff time due to the impacts on roadways, transportation, and encroachment permits, as well as multiple atmospheric events that caused flooding and raised concerns across the County. The County needs additional time to ensure the successful completion of the design and construction bid package for construction in summer 2026.

Therefore, the County is requesting a 6-month time extension for the period of project development expenditure for the PS&E phase from June 30, 2025 to December 31, 2025.

Project Number 5
Applicant: City of Richmond
County: Contra Costa
District: 4
PPNO: 2025H
Allocation Amount: \$4,500,000
Remaining Balance: \$4,493,669
Phase: Right of Way
Allocation Date: 03/23/2023
Allocation Resolution: FP-22-61
Number of Months Requested: 20 Months
Extended Deadline: 02/28/2027
Department Recommendation: Support

I-80/Central Avenue - Phase 2 (Local Road Realignment) project

The City of Richmond (City) requests a 20-month time extension for the period of project development expenditure for the RW phase of the I-80/Central Avenue - Phase 2 (Local Road Realignment) project. The City experienced unforeseen delays due to coordination with Pacific Gas and Electric Company (PG&E).

The project proposes to reconstruct a roadway, underground all utilities at the project site, construct a new sidewalk, and a bus stop.

The project faced delays mainly because of the PG&E implementation of Rule 20A within the project limits. Rule 20A is a provision within PG&E's Electric Tariff Rule 20 that allows PG&E to allocate funds to cities and counties to assist with the cost of undergrounding electric facilities. The completion process has been delayed by nearly two years due to staffing constraints and the project's position on PG&E's priority list. The City has been actively coordinating with PG&E to elevate the project's priority. PG&E has recognized the City's request. As a result, the project has been moved higher on their list, with tentative construction now anticipated to be completed in early 2027. The City needs additional time to ensure the successful completion of the project.

Therefore, the City is requesting a 20-month time extension for the period of project development expenditure for the RW phase from June 30, 2025 to February 27, 2027.