

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(6), Action Item

Prepared By: James R. Anderson, Chief
Division of Financial Programming

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT DEVELOPMENT EXPENDITURE FOR A STATE-ADMINISTERED SENATE BILL 1 LOCAL PARTNERSHIP PROGRAM (FORMULAIC) PROJECT, ON THE STATE HIGHWAY SYSTEM, PER LPP (FORMULAIC) GUIDELINES WAIVER 25-140, AMENDING WAIVER 24-99**

ISSUE:

Should the California Transportation Commission (Commission) amend the period of project development expenditure for the State-Administered Senate Bill 1 (SB 1) Local Partnership Program (LPP) (Formulaic) Marin Sonoma Narrows (MSN) Contract B7 project (PPNO 0361M), in Marin County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission amend the period of project development expenditure for the State-Administered SB 1 LPP (Formulaic) Marin Sonoma Narrows (MSN) Contract B7 project (PPNO 0361M), in Marin County, for the time period as identified in the attachment.

BACKGROUND:

In June 2022, the Commission allocated \$3,500,000 for the Right of Way (RW) Capital phase of the State-Administered SB 1 LPP (Formulaic) Marin Sonoma Narrows (MSN) Contract B7 project (PPNO 0361M). In accordance with the LPP (Formulaic) Guidelines (Guidelines), the deadline to complete the project development expenditure for projects allocated in June 2022 is June 30, 2024. The Department received a 12-month time extension for the RW Capital phase in June 2024 with an extended deadline of June 30, 2025. Because the Department will not meet this deadline, the Department is requesting a time extension amendment for additional time to complete the RW Capital phase. The attachment shows the details of the project and the delays that have resulted in this time extension amendment request.

Current Guidelines stipulate that funds allocated for project development costs must be expended by the end of the second fiscal year following the fiscal year of allocation. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 12 months.

Attachment

**Amendment Time Extension/Waiver – Project Development Expenditure for
Local Partnership Program (Formulaic)**

Project Number: 1
Applicant: Department of Transportation
County: Marin
District: 4
PPNO: 0361M
EA: 26472
Route: 101
Allocation Amount: \$3,500,000
Remaining Balance: \$2,860,000
Phase: Right of Way Capital
Allocation Date: 06/30/2022
1st Waiver: Waiver 24-99
Approved: June 2024
Number of Months Requested: ~~12 Months~~ **16 Months**
Extended Deadline: ~~06/30/2025~~ **10/31/2025**
Department Recommendation: Support

Marin Sonoma Narrows (MSN) Contract B7 project

The Department requests an additional 4 months, from 12 months to 16 months, for the period of project development expenditure for the Right of Way (RW) Capital phase of the Marin Sonoma Narrows (MSN) Contract B7 project. The Department has experienced unexpected delays in completing the RW Capital phase.

The project is located on State Route (SR) 101, in the City of Novato, from south of the Franklin Avenue Overhead to south of the Marin/Sonoma County Line. The project will widen SR 101 to construct a southbound High Occupancy Vehicle (HOV) lane from south of the Marin/Sonoma County Line to south of the Franklin Avenue Overhead and northbound HOV lane from north of the Atherton Avenue Overcrossing to south of the Marin/Sonoma County line. The project includes roadway and bridge widening for HOV lanes and installing standard shoulders. The project will also upgrade the horizontal and vertical roadway alignment, modify the Redwood Landfill Interchange ramps, and re-stripe Redwood Boulevard for Class II bike lanes.

Initially, while working on the RW Capital phase, the project faced unanticipated delays due to negotiations regarding mitigation. As a result, the project received a 12-month extension in June 2024. The Regional Water Quality Control Board (RWQCB) 401 permit required the Department to mitigate 44 acres of impervious area. Due to limited space within the State right of way, the project was limited to 20 acres of onsite mitigation. The remaining 24 mitigation acres need to be pursued off-site. The delay is attributed to working with the RWQCB and incorporating recent adjustments to the mitigation ratios. The RWQCB was seeking an increase to the original 1:1 ratio for off-site mitigation. This was not anticipated when the project was programmed. After extended coordination, the Department eventually received concurrence from the RWQCB to reduce the ratio to closer to the initial 1:1 ratio. However, this coordination between the Department and the RWQCB resulted in a 6-month delay.

In addition, the Department also partnered with California State Parks for the riparian and channel offsite mitigation, and with the County of Marin (County) for the non-vegetation channel. The riparian trees and habitat impacted by the project were initially going to be mitigated at the Trione-Annadel State Park. However, community concerns and the then recent wildfire in the area resulted in State Parks canceling the project. The Department experienced delays in acquiring a new site. For the non-vegetation channel, the initial mitigation site within the Deer Island Basin Complex owned by the County became unavailable in Winter 2022. This delayed the preparation of a cooperative agreement for the new riparian mitigation site. These delays have collectively impacted the completion of the RW Capital phase work for the project.

Since then, the project encountered further delays with the stormwater mitigation, riparian and non-riparian channel issues and will not meet the June 2025 deadline. The Department partnered with the County to deliver alternative stormwater compliance projects to meet the acreage requirement. However, due to the difference in quality of pollutants between the State facility and the local road, the required acreage increased to just over 27 acres from 21. Since this is more than originally planned for, the County must evaluate and consider new projects to account for the shortfall. This process was further delayed by funding and delivery challenges that pushed some of the proposed alternative stormwater projects beyond the original schedule.

The conceptual design for the riparian channel, habitat and tree mitigation was provided by Point Blue and included a key component of an exclusion fence to prevent cattle from entering the mitigation site. However, the landowner was not in agreement to the full exclusion of the site from cattle grazing. As a result, additional coordination and negotiation with the property owner was needed to address the concerns and coordinate with the RWQCB. A new conceptual plan and cost estimate that allowed for managed grazing within the mitigation area and ensured protection of the mitigation plantings was provided by Point Blue in February 2025.

Mitigation for the non-riparian channel, required by the United States Army Corps of Engineers (USACE) and the RWQCB, was not included in Point Blue's original mitigation project. Potential mitigation sites were explored in collaboration with USACE, North Marin Water District, the County Public Works, Marin Agricultural Land Trust, California State Parks, National Park Service, and the Sonoma Land Trust; however, no suitable location was identified. In April 2024, a property acquired for the project was found to contain wetlands and a non-riparian channel suitable for mitigation and restoration. Initial site assessments began in April 2024, followed by coordination with RWQCB and USACE to confirm eligibility. A wetland delineation was completed in December 2024, and soil testing and property surveys were conducted in February 2025. The site plan is now in the final design phase. The identification, analysis, and ongoing design development have resulted in additional delays. The project was approved for an allocation amendment in May 2025 to allow for non-proportional spending. This will allow the work to continue uninterrupted and utilize the Local Partnership Program (LPP) (Formulaic) funding through October 31, 2025. The remaining RW activities will be delivered with matching local funds. At completion, expenditures will be reviewed to ensure accurate proportional spending. The Department continues to address these items and anticipates completing the RW Capital phase by October 2025.

Therefore, the Department is requesting an additional 4-month time extension for the period of project development expenditure for the RW phase to allow enough time to utilize the LPP (Formulaic) funding from June 30, 2025 to October 31, 2025.