

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(4), Action Item

Prepared By: Scott Eades
District 05 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 2850/EA 1K020 – MONTEREY COUNTY – STATE ROUTE 1 RESOLUTION FP-24-87**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$3,673,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Major Damage (Permanent Restoration) project on State Route (SR) 1, in Monterey County, to advertise the project?

RECOMMENDATION:

The Department recommends that the Commission approve the requested allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project is located on SR 1 near Gorda, from north of White Creek Bridge to south of Los Burros Road. The project will realign the roadway, replace temporary safety features with permanent safety devices, and install erosion control.

FUNDING AND PROGRAMMING STATUS:

In June 2020, this project was programmed in the SHOPP for \$2,176,000 in Construction Capital and \$838,000 in Construction Support for allocation in Fiscal Year 2022-23. In June 2022, the project was amended to move out the allocation of the Construction and Right of Way Capital phases to 2024-25 due to the acquisition of a required parcel that was needed to be completed through the condemnation process. A concurrent project development

expenditure time extension amendment for the Plans, Specifications, and Estimate phase is on this month's Commission agenda.

In March 2025, the Engineer's Estimate reflected the need of \$2,835,000 in Construction Capital (30.3 percent over the programmed amount) and \$838,000 in Construction Support (no increase over the programmed amount). The Department plans to advertise the project in August 2025 and begin construction in December 2025. Construction is planned for one construction season with a duration of 55 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the change in the rehabilitation strategy of the pavement structural section, increase in material cost for roadway rehabilitation, and the addition of aesthetic treatments.

This project is the follow-up project to the emergency work conducted in response to the 2017 Mud Creek landslide (EA 1H780/PPNO 2688). The project initially included obtaining a parcel of land owned by the State Lands Commission (SLC). This required additional coordination and resulted in moving out the allocation of the Construction phase by two years. Negotiations with the SLC to obtain the parcel of land were slow, and keeping the parcel in the project scope risked project delivery failure. In an effort to keep the project on schedule, the Department and SLC ended negotiations when the parcel was removed from the project scope in late 2024. As a result, the limits of hydroseeding and plant establishment were modified.

As the project progressed, it was found that the roadway condition continued to deteriorate which resulted in an extensive rehabilitation strategy. As the slide has stopped moving, settlement of the area continues. After consultation with the Department's Geotechnical and Materials group, the strategy changed from a hot mix asphalt overlay to reconstruction of the structural section. The new rehabilitation strategy led to an increase in the capital cost greater than what was programmed.

In addition, the project required a Coastal Development Permit from the California Coastal Commission (CCC). The CCC required substantial conditions for the permit, including more extensive aesthetic treatments than what was originally anticipated. The treatments include coloring concrete, staining steel elements, changes to the temporary barrier type, protection for historic resources, and slope protection elements. In March 2025, the permit was approved following the conclusion of negotiations with the CCC.

The refinement to the roadway rehabilitation strategy and addition of the aesthetic treatments, amount to an increase of \$659,000 in capital costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to address the critical deficiencies of the existing roadway and roadside elements. To address all of the deficiencies, the project would have to be reprogrammed, which would result in delays and could result in higher costs due to escalation.

FINANCIAL RESOLUTION:

Resolved, that \$2,835,000 be allocated from the Budget Act of 2023, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$838,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type												
2.5d.(4)	Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount			Resolution FP-24-87												
1 \$3,673,000 Monterey 05-Mon-1 8.7/9.1	Near Gorda, from north of White Creek Bridge to 2.0 miles south of Los Burros Road. <u>Outcome/Outputs:</u> Realign highway, replace temporary safety features with permanent safety devices, and install erosion control measures. Preliminary <u>Engineering</u> PA&ED PS&E R/W Sup	05-2850 SHOPP/24-25 CON ENG \$838,000 CONST \$2,176,000 0518000106 3,4 1K020	505-3290 RMRA 001-0890 FTF 20.10.201.131 2017-18 802-3290 RMRA 2023-24 302-0890 FTF 20.20.201.131	\$96,000 <u>\$742,000</u> \$838,000 \$325,000 <u>\$2,510,000</u> \$2,835,000												
	<table border="0"> <tr> <td></td> <td><u>Budget</u></td> <td><u>Expended</u></td> </tr> <tr> <td>PA&ED</td> <td>\$752,000</td> <td>\$285,771</td> </tr> <tr> <td>PS&E</td> <td>\$1,350,600</td> <td>\$1,058,127</td> </tr> <tr> <td>R/W Sup</td> <td>\$26,000</td> <td>\$0</td> </tr> </table>		<u>Budget</u>	<u>Expended</u>	PA&ED	\$752,000	\$285,771	PS&E	\$1,350,600	\$1,058,127	R/W Sup	\$26,000	\$0			
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	<u>Performance Measure:</u> Planned: 1.0, Actual: 1.0 Location(s)															
	CEQA - CE, 07/28/2021; Re-validation 04/16/2025 NEPA - CE, 07/28/2021; Re-validation 04/16/2025															