

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(1), Action Item

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Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR STATE HIGHWAY OPERATION AND PROTECTION
PROGRAM PROJECTS, ON THE STATE HIGHWAY SYSTEM, PER SHOPP
GUIDELINES
WAIVER 25-153**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for 10 State Highway Operation and Protection Program (SHOPP) 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 10 SHOPP projects, for the time periods as identified in the attachment.

BACKGROUND:

In August 2019, October 2021, August 2022, and October 2022, the Commission allocated \$39,865,000 in project development support for 10 SHOPP project phases listed in the attachment. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate (PS&E) and Right of Way (RW) Support phases for projects allocated in August 2019, October 2021, August 2022, and October 2022 is August 2022, October 2024, August 2025, and October 2025, respectively.

Current Guidelines stipulate that the implementing agency request an expenditure time extension if the project phase will not be completed within 36 months of allocation for the PS&E phase and within 72 months of allocation for the RW phase. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Time Extension/Waiver – Project Development Expenditure for
State Highway Operation and Protection Program**

Project Number: 1
Applicant: Department of Transportation
County: Mendocino
District: 1
PPNO: 4675
EA: 0H140
Route: 101
Allocation Amount: \$1,300,000
Remaining Balance: \$208,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 08/18/2022
Allocation Resolution: FP-22-11
Number of Months Requested: 9 Months
Extended Deadline: 05/31/2026
Department Recommendation: Support

SHOPP Mandates project

The Department requests a 9-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Mandates project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on United States Highway (US) 101, near Hopland, from north of Feliz Creek Bridge to north of First Street. The project proposes to upgrade facilities to Americans with Disabilities Act standards, rehabilitate pavement, and upgrade signs, guardrail, and Transportation Management System (TMS) elements.

The PS&E phase for the project was allocated in August 2022. During the PS&E phase, the project encountered delays due to extended coordination efforts with Pacific Gas and Electric (PG&E) and American Telephone and Telegraph (AT&T) for utility relocation. As a result, additional time is needed for coordination due to roadway utility conflicts. In the current delivery year, this project underwent significant redesign with the removal of drainage rehabilitation and electrical elements, due to conflicts with the local water utility and their inability to relocate utilities due to funding constraints. PG&E requested 12 months to perform the required utility relocations prior to construction. To reduce Right of Way (RW) delays or claims from the contractor, the Construction (CON) allocation had been delayed to October 2025. The additional time is needed to align the schedule to ensure sufficient time and resources are available to complete PS&E tasks associated with the contract awarding process and reach Construction Contract Acceptance (CCA) by May 2026. There is a concurrent allocation request for the CON phase on this month's Commission agenda.

Therefore, the Department is requesting a 9-month project development expenditure time extension to allow enough time to complete the PS&E phase from August 31, 2025 to May 31, 2026.

Project Number: 2
Applicant: Department of Transportation
County: Sonoma
District: 4
PPNO: 2026M
EA: 2Q780
Route: 12
Allocation Amount: \$1,500,000
Remaining Balance: \$577,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 08/18/2022
Allocation Resolution: FP-22-11
Number of Months Requested: 6 Months
Extended Deadline: 02/28/2026
Department Recommendation: Support

SHOPP Safety Improvements project

The Department requests a 6-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Safety Improvements project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located in Santa Rosa, at the intersection of Boas Drive and State Route (SR) 12. The project proposes to install a traffic signal.

The PS&E phase for the project was allocated in August 2022 with a scheduled completion deadline of August 2025. However, the RW impacts expanded from four to seven parcels, requiring additional mapping, appraisals, and acquisition. These added tasks delayed RW Certification from its initial target of April 2024 to June 2025.

The project achieved Ready-to-List (RTL) by the end of June 2025. The project is anticipated to advertise in March 2026, hold bid opening, and award the contract by April 2026. As a result, additional time is needed to align PS&E with the project's award date.

Therefore, the Department is requesting a 6-month project development expenditure time extension to allow enough time to complete the PS&E phase from August 31, 2025 to February 28, 2026.

Project Number: 3
Applicant: Department of Transportation
County: Santa Barbara
District: 5
PPNO: 2386Y
EA: 1C361
Route: 217
Allocation Amount: \$180,000
Remaining Balance: \$56,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/13/2022
Allocation Resolution: FP-22-23
Number of Months Requested: 17 Months
Extended Deadline: 03/31/2027
Department Recommendation: Support

SHOPP Bridge Major Rehabilitation project

The Department requests a 17-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Bridge Major Rehabilitation project.

This project is on SR 217, near Goleta, from north of San Jose Creek Bridge (No. 51-0217). The project proposes landscape mitigation for bridge replacement project EA 05-1C360.

The PS&E phase for the project was allocated in October 2022. In May 2022, the landscape mitigation work was split out to create a child project (EA 05-1C361). The child project was originally scheduled for Construction allocation in Fiscal Year 2023-24, but two amendments were approved in January 2023 and May 2024 to correct the schedule and align with the parent project's schedule. The parent project experienced delays during the advertisement and award process, and contract award was impacted at the start of the project. The parent project is currently in construction and experienced weather delays prolonging the construction schedule. This has resulted in a 17-month delayed start for the child project.

The parent project is scheduled to reach CCA in July 2027. A significant level of completion is required for the parent project before the child project can be initiated. The child project is anticipated to award by March 2027, providing a four to five month overlap between the projects that will allow flexibility in the mitigation work.

Therefore, the Department is requesting a 17-month project development expenditure time extension to allow enough time to complete the PS&E phase from October 31, 2025 to March 31, 2027.

Project Number: 4
Applicant: Department of Transportation
County: Monterey
District: 5
PPNO: 2787
EA: 1J880
Route: 68
Allocation Amount: \$2,600,000
Remaining Balance: \$79,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 08/18/2022
Allocation Resolution: FP-22-11
Number of Months Requested: 5 Months
Extended Deadline: 01/31/2026
Department Recommendation: Support

SHOPP Drainage System Restoration project

The Department requests a 5-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Drainage System Restoration project.

This project is in and near the city of Monterey, from west of Sunset Drive to west of Toro Park Undercrossing. The project proposes to rehabilitate drainage systems, lighting, and install TMS elements.

The PS&E phase for the project was allocated in August 2022 and the deadline to award was scheduled for August 2025. However, the deadline to award has been revised to January 2026 due to delays encountered in reaching RTL status. This project's RTL date was delayed from 2023-24 due to coordination issues with PG&E regarding relocation efforts of a gas pipeline, which also delayed the submittal of the Coastal Development Permit application and parcel acquisitions. These issues have since been resolved and the project reached RTL status in June 2025. The additional time is needed to advertise, award, and approve the contract by January 2026. There is a concurrent supplemental funds request on this month's Commission agenda.

Therefore, the Department is requesting a 5-month project development expenditure time extension to allow enough time to complete the PS&E phase from August 31, 2025 to January 31, 2026.

Project Number: 5
Applicant: Department of Transportation
County: Monterey
District: 5
PPNO: 2900
EA: 1K440
Route: 101
Allocation Amount: \$2,036,000
Remaining Balance: \$260,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 08/18/2022
Allocation Resolution: FP-22-11
Number of Months Requested: 7 Months
Extended Deadline: 03/31/2026
Department Recommendation: Support

SHOPP Pavement Rehabilitation project

The Department requests a 7-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Pavement Rehabilitation project.

This project is located near King City, from Jolon Road to Lagomarsino Avenue. The project proposes to rehabilitate pavement, drainage systems, lighting, and install TMS elements.

The PS&E phase for the project was allocated in August 2022 and the deadline to award was scheduled for August 2025. However, the deadline to award has been revised to March 2026 due to the delays encountered in reaching RTL status. This project's RTL date was delayed from 2023-24 due to two issues regarding an unconfirmed abandoned PG&E gas line and temporary construction easements (TCE's). Negotiation challenges were encountered with a property owner for drainage easements and TCE's adding an additional delay to the project. The PG&E gas line issue was resolved and a Resolution of Necessity (RON) was approved at the January 2025 Commission meeting for the three drainage easement parcels and TCE's. In addition, a RW Cert 3W was approved by the Federal Highway Administration (FHWA) in April 2025. The project reached RTL in June 2025. Additional time is needed to advertise, award, and approve the contract by March 2026. There is a concurrent allocation request for the CON phase on this month's Commission agenda.

Therefore, the Department is requesting a 7-month project development expenditure time extension to allow enough time to complete the PS&E phase from August 31, 2025 to March 31, 2026.

Project Number: 6
Applicant: Department of Transportation
County: Los Angeles
District: 7
PPNO: 4846
EA: 31350
Route: 1
Allocation Amount: \$2,583,000
Remaining Balance: \$59,000
Phase: Right of Way Support
Allocation Date: 08/15/2019
Allocation Resolution: FP-19-14
Number of Months Requested: 49 Months
Extended Deadline: 09/30/2029
Department Recommendation: Support

SHOPP Drainage System Restoration project

The Department requests a 49-month time extension for the period of project development expenditure for the RW Support phase of the SHOPP Drainage System Restoration project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is in the cities of Los Angeles and Malibu, from south of Temescal Canyon Road to Ventura County line; also in Ventura County, from Los Angeles County line to Tonga Street. The project proposes to rehabilitate culverts.

The RW Support phase for this project was allocated in August 2019 with the timely use of funds expiring in August 2025. The project is currently in the CON phase and remaining RW work involves extension effort with a few TCE's.

Construction funds were allocated in January 2023 and the Department requested a 74-month construction duration in the funds request. The requested construction duration was due to several restrictions imposed by multiple permitting agencies such as the State Historic Preservation Office, California Department of Fish & Wildlife, City of Malibu, Coastal Commission, and California State Parks Department.

Since there is ongoing utility relocation coordination and TCE's need to be extended, RW Support will be needed throughout the duration of the CON phase. Therefore, the Department is requesting for a 49-month time extension for RW Support expenditures. The project has critical intermittent RW Support work required to align with construction work through CCA.

Therefore, the Department is requesting a 49-month project development expenditure time extension from August 31, 2025 to September 30, 2029.

Project Number: 7
Applicant: Department of Transportation
County: Kern
District: 9
PPNO: 2668
EA: 37920
Route: 58
Allocation Amount: \$3,585,000
Remaining Balance: \$8,909,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 08/18/2022
Allocation Resolution: FP-22-11
Number of Months Requested: 18 Months
Extended Deadline: 02/28/2027
Department Recommendation: Support

SHOPP Roadway Preservation project

The Department requests an 18-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Roadway Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

The project is near Tehachapi, from east of Bealville Road to east of Broome Road. The project proposes to rehabilitate roadway, install TMS elements, upgrade lighting, median barrier, guardrail, bridge railing, rehabilitate drainage systems, and enhance highway worker safety.

In October 2023, the Commission approved an amendment, which updated the project's scope cost and schedule, to include a truck climbing lane and a wildlife crossing. This amendment moved both Construction Capital and Support to 2025-26. The amendment also updated the scope to add four miles of truck climbing lane resulting in a longer than planned design schedule. This project received a supplemental allocation for the PS&E phase at the October 2024 Commission meeting. The project is currently at 60 percent complete and scheduled to achieve RTL status in June 2026. The additional time is needed to allow the project to reach RTL, receive an allocation for the CON phase, advertise, and award the project in February 2027.

Therefore, the Department is requesting an 18-month project development expenditure time extension to allow enough time to complete the PS&E phase from August 31, 2025 to February 28, 2027.

Project Number: 8
Applicant: Department of Transportation
County: Alpine
District: 10
PPNO: 1044
EA: 0J720
Route: 4
Allocation Amount: \$2,322,000
Remaining Balance: \$147,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/13/2022
Allocation Resolution: FP-22-23
Number of Months Requested: 6 Months
Extended Deadline: 04/30/2026
Department Recommendation: Support

SHOPP Roadway Preservation project

The Department requests a 6-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Roadway Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

The project is on SR 4, near Bear Valley, from Calaveras County line to SR 89, also on SR 89 north of SR 4. The project proposes to rehabilitate pavement, replace guardrail and signs, place Rock Slope Protection, rehabilitate drainage systems, and enhance highway worker safety.

The PS&E phase of the project was allocated in October 2022. However, the start of PS&E was delayed and impacted the overall project delivery schedule. In September 2023, the Department began coordinating with the Stanislaus National Forest Service (SNFS) to obtain Temporary Construction Encroachment Permits. Despite these efforts, the permit process could not be expedited due to complications from recent forest fires and additional environmental review requirements.

In August 2024, SNFS issued a letter stating that further analysis was needed to assess impacts on listed species. This added approximately six months to the permit review timeline. Once the permit was approved, it was incorporated into the contract documents. This process was initially expected to take three months, but due to non-standard specifications, additional time was needed.

As a result of the PS&E delays, in December 2024, an allocation time extension amendment for the CON phase was approved for 14 months. To accommodate the previous delays and ensure proper preparation of the CON phase allocation request, the Department needs additional time for PS&E through award. This extension will allow time to finalize the non-standard specifications and complete the fund request package. The Department anticipates completing design, advertising, and awarding of the project by April 2026.

Therefore, the Department is requesting a 6-month project development expenditure time extension to allow enough time to complete the PS&E phase from October 31, 2025 to April 30, 2026.

Project Number: 9
Applicant: Department of Transportation
County: San Joaquin
District: 10
PPNO: 3133
EA: 0X460
Route: 5
Allocation Amount: \$22,000,000
Remaining Balance: \$41,763,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/14/2021
Allocation Resolution: FP-21-26
Number of Months Requested: 20 Months
Extended Deadline: 05/31/2027
Department Recommendation: Support

SHOPP Bridge Rehabilitation and Replacement project

The Department requests a 20-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Bridge Rehabilitation and Replacement project. The project received an additional 11 months to complete PS&E at the time of allocation, extending the deadline September 30, 2025. This project received a supplemental allocation for the PS&E phase at the December 2024 Commission. The Department experienced unexpected delays in completing this project's preconstruction phase.

The project is located in Stockton, at the Stockton Channel Viaduct Bridge (No. 29-0176L/R). The project proposes bridge rehabilitation to address structural and load carrying capacity deficiencies.

The project was programmed to be delivered using the Design-Build process. Typically, with Design-Build, the project is developed through 30 percent PS&E and then provided to a Design-Builder to complete the design and start construction simultaneously. In 2022, the Department officially selected a Construction Manager General Contractor as the delivery method and the project will deliver at least two design packages. The PS&E funds were programmed under this parent project (EA 10-0X460) and will require an extension until all design packages reach RTL status and are awarded.

Therefore, the Department is requesting a 20-month project development expenditure time extension to allow enough time to complete the PS&E phase from September 30, 2025 to May 31, 2027.

Project Number: 10
Applicant: Department of Transportation
County: Calaveras
District: 10
PPNO: 3494
EA: 1K820
Route: 26
Allocation Amount: \$1,759,000
Remaining Balance: \$194,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/13/2022
Allocation Resolution: FP-22-23
Number of Months Requested: 6 Months
Extended Deadline: 04/30/2026
Department Recommendation: Support

SHOPP Safety Improvements project

The Department requests a 6-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Safety Improvements project. The Department experienced unexpected delays in completing this project's preconstruction phase.

The project is located near Mokelumne Hill, at the intersection with Route 49. The project proposes intersection improvements.

The PS&E phase for this project was allocated in October 2022. In January 2025, the Commission approved a 14-month allocation time extension for the CON phase. This extension was necessary due to the need for a RON to acquire a parcel.

Prior to the January 2025 Commission meeting, the RW team signed four agreements, removed six parcels from the acquisition list, and secured RON approval. These negotiations postponed the preparation of the utility easement deed required by PG&E.

To move forward, the Department submitted a review request to FHWA in late April 2025 to approve a RW Cert 3W. FHWA review and approvals are taking longer than anticipated and as a result the construction fund request is coming forward at a future Commission meeting. The additional time is needed to align the schedule to ensure sufficient time and resources are available to complete PS&E tasks associated with the contract awarding process by April 2026.

Therefore, the Department is requesting a 6-month project development expenditure time extension to allow enough time to complete the PS&E phase from October 31, 2025 to April 30, 2026.