

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(6), Action Item

Prepared By: David Ambuehl  
District 04 – Director (Acting)

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**  
**PPNO 2032A/EA 0Q480 – SAN MATEO COUNTY – STATE ROUTE 84**  
**RESOLUTION FP-25-06**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$11,058,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Major Damage (Permanent Restoration) project on State Route (SR) 84, in San Mateo County, to award the project?

### **RECOMMENDATION:**

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

### **PROJECT DESCRIPTION:**

This project is located along SR 84 near La Honda, west of Pescadero Creek Road, in San Mateo County. This roadway is one of the main east-west routes connecting coastal communities to the Bay Area's peninsula. The project will repair storm damage consisting of roadway embankment washout and creek bank erosion, by constructing a retaining wall and installing protective bio-engineered elements.

### **FUNDING AND PROGRAMMING STATUS:**

In May 2020, this project was programmed in the SHOPP for \$4,061,000 in Construction Capital and \$522,000 in Construction Support for allocation in Fiscal Year 2022-23. In June 2022, the project was amended to move the Construction and Right of Way phases to

2023-24 and increase Construction Capital to \$6,585,000 and Construction Support to \$1,632,000 due to the expected environmental impacts and mitigation related to bank stabilization and creek flow control features (embankment construction, rock weirs, expanded temporary creek diversion system). In June 2024, the project was amended to split Construction Capital to \$5,334,000 for construction and \$1,251,000 for a follow up child project for plant establishment, creek and biological monitoring, and tree mitigation (PPNO 2924Y/EA 0Q48A). The child mitigation project had to be split after mitigation requirements were finalized with resource agencies and prior to issuance of permits. In addition, the Department requested a 19-month allocation time extension for the Construction phase, and was approved for 14 months at the August 2024 Commission meeting.

In February 2025, the updated Engineer's Estimate (EE) reflected \$9,116,000 in Construction Capital (70.9 percent over the programmed amount) and \$1,942,000 in Construction Support (19.0 percent over the programmed amount). Upon construction funds allocation, the Department will advertise the contract to proceed to construction. Construction is planned for one construction season with a duration of 130 working days.

**REASON FOR COST INCREASE:**

The Construction Capital increase is due to a design change from a soldier pile wall to a tangent pile wall, higher mobilization, and other miscellaneous items. The Construction Support increase is due to an additional 20 working days required for a more extensive retaining wall installation.

**Capital Cost Increase:**

The project proposes to construct a 129-foot retaining wall along the eastbound side of SR 84 to repair the washed-out embankment. The initial design was a soldier pile retaining wall and an embankment in front of the wall on the creek side. Subsequently, the final hydraulics report indicated greater erosive flows and higher scouring risk than what was initially anticipated. As a result, the design of the wall was changed to a tangent pile retaining wall. Tangent pile wall has closer spaced cast-in-place-drilled-hole piles, doubling the number of piles to 36 piles. In addition, the pile length increased from 60 feet to 70 feet to address greater creek scour impacts. The change in wall design also required upgrading the temporary creek diversion system. The cost of the retaining wall doubled the original cost, and represents about 50 percent of the overall increase.

The change in wall type also adds more mobilization and time-related overhead, and is about 25 percent of increase. The remaining 25 percent of the increase is due to creek bank improvements, traffic related items, and minor adjustments to all of the remaining items.

These changes amount to an increase of \$3,782,000.

**Support Cost Increase:**

The support cost increase of \$310,000 is due to the addition of 20 working days (from 110 to 130) as a result of changing the type of the retaining wall and additional resources for inspection.

**CONSEQUENCES:**

If this allocation request is not approved, the Department will not be able to advertise the contract to repair the storm damaged roadway embankment washout and creek bank erosion along this segment of SR 84. The project will have to be reprogrammed, which will result in delay and increase risks of more creek bank deterioration after future storms, route closure, traffic disruption and public inconvenience, and higher costs due to rework and cost escalation.

**FINANCIAL RESOLUTION:**

Resolved, that \$9,116,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$1,942,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

| Project No.   | Location  | PPNO          | Budget Year      | Amount by          |
|---|---|---------------|------------------|--------------------|
| Allocation Amount   | Project Description   | Program/Year  | Item # Fund Type | Fund Type          |
| County  |   | Phase         |                  |                    |
| Dist-Co-Rte   | Project Support Expenditures  | Prgm'd Amount |                  |                    |
| Postmile  |   | Project ID    | Program Code     |                    |
|   |   | Adv Phase     |                  |                    |
|   |   | EA            |                  |                    |
| <b>2.5d.(6) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount</b> |   |               |                  |                    |
| <b>Resolution FP-25-06</b>  |   |               |                  |                    |
| 1   | Near La Honda, at 0.5 mile west of Pescadero Creek Road.  | 04-2032A      | 505-3290 RMRA    | \$223,000          |
| \$11,058,000  | <u>Outcome/Outputs:</u> Repair slope washout by constructing a retaining wall.                            | SHOPP/23-24   | 001-0890 FTF     | <u>\$1,719,000</u> |
|   |   | CON ENG       | 20.10.201.131    | \$1,942,000        |
|   |   | \$1,632,000   |                  |                    |
| San Mateo   | Preliminary   | CONST         |                  |                    |
| 04-SM-84  | <u>Engineering</u>  |               |                  |                    |
| 7.8   | PA&ED   | \$5,334,000   | 2017-18          |                    |
|   | PS&E  | 0418000107    | 802-3290 RMRA    | \$1,046,000        |
|   | R/W Sup   | 3,4           | 2024-25          |                    |
|   |   | 0Q480         | 302-0890 FTF     | <u>\$8,070,000</u> |
|   |   |               | 20.20.201.131    | <u>\$9,116,000</u> |
|   | <u>Performance Measure:</u>   |               |                  |                    |
|   | Planned: 1.0, Actual: 1.0 Location(s)   |               |                  |                    |
|   | CEQA - ND, 10/14/2022; Re-validation 06/18/2025   |               |                  |                    |
|   | NEPA - CE, 10/12/2022; Re-validation 06/18/2025   |               |                  |                    |
|   | Future consideration of funding approved under Resolution E-22-92; December 2022.                         |               |                  |                    |
|   | Fourteen month allocation time extension for CONST and CON ENG approved under Waiver 24-125; August 2024. |               |                  |                    |