

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

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

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

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE RIGHT OF WAY CAPITAL PHASE**
PPNO 0748R/EA 0A021 – SONOMA COUNTY – STATE ROUTE 1
RESOLUTION FA-25-27

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$12,640,000 in Right of Way (RW) Capital for the State Highway Operation and Protection Program (SHOPP) Major Damage (Permanent Restoration) project on State Route (SR) 1, in Sonoma County, to complete the RW phase work?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This child project is located on SR 1 near Carmet, from 0.1 to 0.7 of a mile north of Calle Del Sol, in Sonoma County. The child project will perform biological mitigation work for the parent project (PPNO 0748E/EA 0A020) which realigned the roadway near Gleason Beach.

FUNDING AND PROGRAMMING STATUS:

In August 2019, the parent project's RW Capital phase was reprogrammed and concurrently allocated for \$15,398,000 in the SHOPP for allocation in Fiscal Year 2019-2020. In January 2021, the parent project was amended to decrease RW Capital to \$7,398,000 to split

out, program, and allocate two child mitigation projects (PPNO 0748R/EA 0A021 for biological mitigation and PPNO 0748S/EA 0A022 for stormwater mitigation).

In January 2021, this child project (PPNO 0748R/EA 0A021) was allocated for \$7,000,000 in RW Capital. Currently, the RW Capital phase is 20 percent complete, and the remaining budget is \$6,236,000, which is insufficient to complete the phase.

REASON FOR COST INCREASE:

The project realized greater than anticipated costs to implement the mitigation requirements, increased mitigation area due to additional impacts from construction, conservation area, extensive permit requirements, and delays in implementing the mitigation.

The project's initial cost was underestimated, which was based on equivalent mitigation bank credit purchase prices. Since no prior projects were available for reference, current mitigation bank credit prices were used to estimate mitigation costs. Since then, the overall mitigation area has increased from 23 acres to 40 acres, due to increased mitigation ratios and additional impacts during construction. Initially, only 23 acres of the 40-acre conservation easement were to be used as mitigation. The project requires an initial 5-year period, to implement and then monitor the created and restored habitats to ensure they meet the success criteria set by the permits. This will be performed by the Gold Ridge Resource Conservation District (GRRCD) and will increase RW funding needs by approximately \$1,162,000. The project also requires maintaining and monitoring habitats and infrastructure, in perpetuity. This will be performed by the California Rangeland Trust through an endowment and will increase RW funding needs by approximately \$4,018,000. Other factors which impact the overall cost are escalation of labor and materials, and an additional need of three years to implement the plant establishment period with the GRRCD.

In addition, mitigation requirements to meet the California Coastal Commission's Coastal Development Permit (CDP) conditions exceeded initial plans for the coastal terrace prairie habitat. The CDP required the native plant area coverage to increase by 10 percent, which will be accomplished by planting 450,000 native plant seedlings and small plants within the upland portion of the conservation easement. Furthermore, new mitigation requirements were identified to meet the United States Fish and Wildlife Service's Biological Opinion for California Red Legged Frog and Salmonid Aquatic Habitat, and the California Department of Fish and Wildlife's Incidental Take Permit to improve the in-channel habitat and channel restoration for fish passage.

The wetland mitigation requirement increased from 1.8 acres to 10.7 acres due to additional wetland impacts during construction of the parent project and delays in implementing the mitigation. The key habitat management strategy for the mitigation area will be done through rotational grazing, which will require installing a water infrastructure system.

The additional funding will allow the project to satisfy all biological permit requirements and proceed with mitigation strategies with all approving regulatory agencies. The additional efforts

resulting from these challenges amount to a total need of \$12,640,000 in RW Capital. Delaying approval of funding will increase the mitigation, endowment, and property acquisition cost. Approval now will enable the funding of endowment thereby satisfying the permit requirements. At this time, the Department does not anticipate any further increases.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to obtain approval from the various permitting agencies that the mitigation requires for the parent project. If the mitigation is not fulfilled, it will result in the need to seek alternative mitigation strategies at another location which will likely increase the acreage requirements and cost. The project would be delayed until future funding is available to reprogram this child project resulting in insufficient biological mitigation for the parent project.

FINANCIAL RESOLUTION:

Resolved, that \$12,640,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0042 for RW Capital, to continue with the mitigation work for this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project #	Project Title	PPNO	State	State
Allocation Amount	Location	Program	Federal	Federal
Recipient	Project Description	Funding Year	Additional	Revised
RTPA/CTC	Project Support Expenditures	Item #	Amount by	Amount by
County		Fund Type	Fund Type	Fund Type
Dist-Co-Rte		Program Codes	Current Amount	Amount by
Postmile		Project ID	by Fund Type	Amount by
		Adv Phase		Fund Type
		EA		Fund Type

2.5e.(4)	Supplemental Funds for Previously Voted Project			Resolution FA-25-27
1	Near Carmet, from 0.1 mile to 0.7 mile north of Calle Del Sol.	04-0748R		
\$12,640,000	<u>Outcome/Outputs:</u> Biological mitigation for project EA 0A020.	SHOPP/2019-20		
		R/W		
Department of Transportation	Total revised amount \$19,640,000.	302-0042 SHA	\$7,000,000	\$7,000,000
		20.20.201.131		
<u>MTC</u>	Supplemental funds are needed to complete RW.	SHOPP/2024-25		
Sonoma		R/W		
04-Son-1	CEQA - EIR, 06/30/2016; Re-validation 09/23/2021	302-0042 SHA		\$12,640,000
15.1/15.7	NEPA - FONSI, 06/30/2016; Re-validation 09/23/2021	20.20.201.131		\$12,640,000
		0421000087		
	Future consideration of funding approved under	9		
	Resolution E-16-77; October 2016.	0A021		
	Concurrent addendum for the previously approved future			
	consideration of funding under Resolution E-25-72A;			
	December 2025.			