

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 19-20, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(2), Action Item

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

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT EXPENDITURE FOR A LOCALLY-ADMINISTERED MULTI-FUNDED STATE TRANSPORTATION IMPROVEMENT PROGRAM AND SENATE BILL 1 TRADE CORRIDOR ENHANCEMENT PROGRAM PROJECT, ON THE STATE HIGHWAY SYSTEM, PER STIP AND TCEP GUIDELINES WAIVER 26-33**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for two phases of the locally-administered multi-funded State Transportation Improvement Program (STIP) and Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) I-80/San Pablo Dam Interchange – Phase 2 project (PPNO 0242K), in Contra Costa County, 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 two phases of the locally-administered multi-funded STIP and SB 1 TCEP I-80/San Pablo Dam Interchange – Phase 2 project (PPNO 0242K), in Contra Costa County, for the time periods as identified in the attachment.

BACKGROUND:

In October 2023, the Commission allocated \$23,500,000 in project development support for two phases of the locally-administered multi-funded STIP and SB 1 TCEP I-80/San Pablo Dam Interchange – Phase 2 project (PPNO 0242K). In accordance with STIP and SB 1 TCEP Guidelines, the deadline to complete the Plans, Specifications, and Estimate (PS&E) phase for projects allocated in October 2023 is June 30, 2026. In accordance with the STIP and SB 1 TCEP Guidelines, the deadline to complete the Right of Way (RW) Capital phase for projects

allocated in October 2023 is October 31, 2029 and June 30, 2026, respectively. The project will not be able to meet the deadline, and the Contra Costa Transportation Authority is requesting an expenditure time extension for the PS&E and RW Capital phases. The attachment shows the details of the project and the delays that have resulted in the time extension request.

Pursuant to the Guidelines, funds allocated for project development costs for the PS&E phase must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated for STIP and SB 1 TCEP. Pursuant to the Guidelines, funds allocated for project development costs for the RW Capital phase must be expended within 72 months for STIP and by the end of the second fiscal year following the fiscal year in which the funds were allocated for SB 1 TCEP. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 20 months for STIP and 12 months for SB 1 TCEP.

Attachment

**Time Extension/Waiver – Project Development Expenditure
STIP and SB 1 TCEP**

Project Number: 1
Applicant: Contra Costa Transportation Authority
County: Contra Costa County
District: 4
PPNO: 0242K
EA: 0A082
Route: 80
Allocation Amount: \$5,000,000 (\$900,000 STIP and \$4,100,000 SB 1 TCEP)
Remaining Balance: \$1,401,000 (\$252,000 for STIP, \$1,149,000 for SB 1 TCEP)
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/19/2023
Allocation Resolution: FP-23-44 and TCEP-A-2324-02
Number of Months Requested: 12 Months
Extended Deadline: 06/30/2027
Department Recommendation: Support

I-80/San Pablo Dam Interchange - Phase 2 project

The Contra Costa Transportation Authority (CCTA) requests a 12-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the I-80/San Pablo Dam Interchange - Phase 2 project. CCTA experienced unexpected delays in completing the project's PS&E phase.

The project is located on Interstate 80 (I-80), in the City of San Pablo at the I-80 and San Pablo Dam Road (SPDR) Interchange. The project will construct McBryde Avenue new connector road, reconstruct SPDR overcrossing and ramps, construct Wildcat Creek Bridge, widen SPDR, including Class IV bikeways in both directions, realign Amador Street, and provide continuity of sidewalks east of the SPDR interchange. The project is multi-funded and has competing timely use of funds (TUF) rules. The Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) TUF supersedes the State Transportation Improvement Program (STIP) TUF as the most stringent deadline.

The project was scheduled to reach PS&E and Right of Way (RW) Capital completion by June 30, 2026. However, the project encountered some unforeseen events. These events include delays for RW clearance work, and environmental revalidation and design updates.

The project has properties that are impacted which require RW clearance. Additional time was needed initially to establish contact with some of the impacted properties due to change in ownership and the owners being outside the country. Obtaining the Certificate of Sufficiency in October 2025 allowed the appraisal and acquisitions processes to commence. At this time, all appraisals are complete, contact has been established with all owners and out of seven offer letters, all but two have been sent. One is delayed due to the complexity of the acquisition, and the other is pending due to a change in ownership. Negotiations are now underway and condemnation may be required for one of the properties, necessitating additional time. The

General Information Notice for Relocation has been provided to the impacted property owners and tenants, and the Relocation Notice of Eligibility is currently under review by Contra Costa County's legal counsel. The RW clearance is anticipated to be completed by April 2027.

The project was delayed due to several unexpected issues related to environmental revalidation and design updates which slowed the progress to meet the original June 30, 2026 expenditure deadline. Additional consultation with Native American tribes and geo-archaeological testing was required to comply with the latest California Environmental Quality Act (CEQA) requirements. Testing and Native American consultation are targeted to be completed in April 2026. Furthermore, updated noise modeling and analysis were required to determine whether the existing sound walls and the proposed replacement and new sound walls identified in the environmental document meet the performance criteria established in the updated Department Traffic Noise Analysis Protocol, based on the current project design. The noise modeling and analysis work was completed in October 2025. In addition, the project's original Federal Highway Administration air quality conformity determination had expired, requiring additional analysis and coordination meetings to address project-level conformity, which is necessary to complete PS&E. The project's conformity process was completed in March 2025.

At the February 2024 Project Development Team (PDT) meeting, the PDT determined that revisions to the structural and geotechnical calculations were necessary, along with updates to the Foundation Reports and the Geotechnical Design and Materials Report. Updates to the Type Selection Report were also required, including revisions to the design plans for all structures. Because these reports were originally developed circa 2012, they had to be brought up to current 2024 standards to reflect the Department's latest formats, seismic design criteria, and loading requirements. The revised structure Type Selection Report with Foundation Reports for structures and retaining walls were completed November 2024. In July 2024, the PDT further determined that the drainage design also required updates to comply with current stormwater quality and trash capture requirements.

Finally, additional efforts were spent on value engineering which also resulted in design updates that reduced the required RW and lowered the overall cost of the project. These additional efforts for RW, environmental revalidation, and design simultaneously resulted in a 12-month delay.

Due to all these changes, the design cost has increased from \$5 million to \$7 million, which was covered by local funds. The RW cost is expected to come in lower than the original estimate due to approximate savings of \$10 million achieved by implementing value engineering. In addition, the requested expenditure deadline does not impact funding for subsequent components since funding for the construction phase is currently in process of being secured.

Therefore, CCTA is requesting a 12-month time extension for the period of project development expenditure to allow enough time to finalize the PS&E phase from June 30, 2026 to June 30, 2027.

Project Number: 2
Applicant: Contra Costa Transportation Authority
County: Contra Costa County
District: 4
PPNO: 0242K
EA: 0A082
Route: 80
Allocation Amount: \$18,500,000 (\$2,900,000 STIP and \$15,600,000 SB 1 TCEP)
Remaining Balance: \$18,495,000 (\$2,899,000 for STIP, \$15,596,000 for SB 1 TCEP)
Phase: Right of Way Capital
Allocation Date: 10/19/2023
Allocation Resolution: FP-23-44 and TCEP-A-2324-02
Number of Months Requested: 12 Months
Extended Deadline: 06/30/2027
Department Recommendation: Support

I-80/San Pablo Dam Interchange - Phase 2 project

CCTA requests a 12-month time extension for the period of project development expenditure for the RW Capital phase of the I-80/San Pablo Dam Interchange - Phase 2 project. CCTA experienced unexpected delays in completing the project's RW Capital phase.

The project is located on I-80, in the City of San Pablo at the I-80 and SPDR Interchange. The project will construct McBryde Avenue new connector road, reconstruct SPDR overcrossing and ramps, construct Wildcat Creek Bridge, widen SPDR including Class IV bikeways in both directions, realign Amador Street, and provide continuity of sidewalks east of the SPDR interchange. The project is multi-funded and has competing TUF rules. The SB 1 TCEP TUF supersedes the STIP TUF as the most stringent deadline.

The project was scheduled to reach PS&E and Right of Way (RW) Capital completion by June 30, 2026. However, the project encountered some unforeseen events. These events include delays for RW clearance work, and environmental revalidation and design updates.

The project has properties that are impacted which require RW clearance. Additional time was needed initially to establish contact with some of the impacted properties due to change in ownership and the owners being outside the country. Obtaining the Certificate of Sufficiency in October 2025 allowed the appraisal and acquisitions processes to commence. At this time, all appraisals are complete, contact has been established with all owners and out of seven offer letters, all but two have been sent. One is delayed due to the complexity of the acquisition, and the other is pending due to a change in ownership. Negotiations are now underway and condemnation may be required for one of the properties, necessitating additional time. The General Information Notice for Relocation has been provided to the impacted property owners and tenants, and the Relocation Notice of Eligibility is currently under review by Contra Costa County's legal counsel. The RW clearance is anticipated to be completed by April 2027.

The project was delayed due to several unexpected issues related to environmental revalidation and design updates which slowed the progress to meet the original June 30, 2026 expenditure deadline. Additional consultation with Native American tribes and geo-archaeological testing was required to comply with the latest California Environmental Quality Act (CEQA) requirements. Testing and Native American consultation are targeted to be completed in April 2026. Furthermore, updated noise modeling and analysis were required to determine whether the existing sound walls and the proposed replacement and new sound walls identified in the environmental document meet the performance criteria established in the updated Department Traffic Noise Analysis Protocol, based on the current project design. The noise modeling and analysis work was completed in October 2025. In addition, the project's original Federal Highway Administration air quality conformity determination had expired, requiring additional analysis and coordination meetings to address project-level conformity, which is necessary to complete PS&E. The project's conformity process was completed in March 2025.

At the February 2024 PDT meeting, the PDT determined that revisions to the structural and geotechnical calculations were necessary, along with updates to the Foundation Reports and the Geotechnical Design and Materials Report. Updates to the Type Selection Report were also required, including revisions to the design plans for all structures. Because these reports were originally developed circa 2012, they had to be brought up to current 2024 standards to reflect the Department's latest formats, seismic design criteria, and loading requirements. The revised structure Type Selection Report with Foundation Reports for structures and retaining walls were completed November 2024. In July 2024, the PDT further determined that the drainage design also required updates to comply with current stormwater quality and trash capture requirements.

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