

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

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 26-54**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for four 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 four SHOPP projects, for the time periods as identified in the attachment.

BACKGROUND:

In May 2020, October 2022, May 2023, and June 2023, the Commission allocated \$5,082,000 in project development support for four SHOPP project phases listed in the attachment. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate (PS&E) phase for projects allocated in October 2022, May 2023, and June 2023, is October 31, 2025, May 31, 2026, and June 30, 2026, respectively. The deadline to complete the Right of Way (RW) Support phase for the project allocated in May 2020 is May 31, 2026.

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. For the RW Support phase, the implementing agency must request an expenditure time extension if the project phase will not be completed within 72 months of

allocation. 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: Solano
District: 04
PPNO: 0886
EA: 0G660
Route: 84
Allocation Amount: \$2,291,000
Remaining Balance: \$1,139,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/13/2022
Allocation Resolution: FP-22-23
Number of Months Requested: 20 Months
Extended Deadline: 01/31/2028
Department Recommendation: Support

SHOPP Bridge Preservation project

The Department requests a 20-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Bridge Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase. During the PS&E phase allocation, the project received approval for an additional seven months.

This project is located near Rio Vista, at Miner Slough Bridge No. 23-0035. The project proposes to replace a bridge.

The project proposes replacing the only road access to Ryer Island, with two ferries acting as additional access points. Substantial design, construction and permitting efforts have been made to work on the non-engineered levees owned by the United States Army Corps of Engineers (USACE), which are over 90 years old. The initial programming for the PS&E phase was in June 2017 and the Right of Way (RW) Support phase was in October 2018. The project was reprogrammed at the October 2022 Commission meeting, in which 43 months were approved to complete the PS&E phase due to the USACE's request for additional sample drilling pertaining to permitting requirements.

In June 2025, Construction (CON) Capital, CON Support, and RW Capital changed from Fiscal Year 2025-26 to 2026-27, due to the following reasons provided. First, USACE's additional sampling requires the use of a Deep Soil Mixing Method (DMM) to stabilize the levees as a permit condition. DMM was chosen instead of the more commonly used and initially planned method of polyurethane injection method. The change required new seepage analysis, and the Department utilized a consultant to help with DMM analysis and design. The Department has experience with DMM in foundation applications but not levee work. This change resulted in an additional 10 months for the PS&E phase, including analysis, discussion, and review iterations

with USACE. The 95 percent PS&E date was subsequently shifted from June 2025 to March 2026.

The bridge construction and the associated DMM levee stabilization work will limit access to a portion of State Route (SR) 84 on the north side of the bridge, including public traffic. To mitigate the impact, a temporary roadway and year-long detour are required. Consideration was given to close off the route entirely and rely on the ferries, however they are incapable of handling the large agricultural vehicles that frequent the island. This has resulted in the need to revise a utility relocation plan with Pacific Gas and Electric (PG&E) company. The design changes caused by introducing a temporary route have increased the construction footprint area and created a conflict with a PG&E pole that now needs to be relocated. The revised utility relocation plans from PG&E are expected to cause an 18-month delay, moving the RW Certification date from November 5, 2025 to May 15, 2027.

Another significant impact is due to the recent financial rebalancing constraints, the 2026 SHOPP will update the project from 2026-27 to 2027-28. The CON phase allocation is anticipated in August 2027. This change requires the continuation of the PS&E phase to reach contract approval in January 2028.

Due to the reasons discussed, the contract approval will be delayed from June 1, 2026 to January 14, 2028. A supplemental funds request for CON Support was approved at the August 2025 Commission meeting.

Therefore, the Department is requesting a 20-month project development expenditure time extension to allow enough time to complete the PS&E phase through award from May 31, 2026 to January 31, 2028.

Project Number: 2
Applicant: Department of Transportation
County: Alameda
District: 04
PPNO: 1453E
EA: 2K950
Route: 101
Allocation Amount: \$130,000
Remaining Balance: \$84,000
Phase: Right of Way Support
Allocation Date: 05/14/2020
Allocation Resolution: FP-19-77
Number of Months Requested: 10 Months
Extended Deadline: 03/31/2027
Department Recommendation: Support

SHOPP Facilities project

The Department requests a 10-month time extension for the period of project development expenditure for the RW Support phase of the SHOPP Facilities project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is in the city of Livermore (City), on the eastbound offramp to Isabel Avenue. The project proposes to construct a new District 4 Materials Lab on Route 580, to replace an obsolete facility that closed in March 2015 due to unsafe conditions. The previous location was in the city of San Francisco beneath Route 101 at 325 San Bruno Avenue. This project received a 14-month construction completion time extension, approved in January 2026.

The RW Support phase was allocated in May 2020, the CON phase was allocated in August 2022, and the project was awarded in February 2023. Building completion and Construction Completion Acceptance (CCA) have been delayed due to design revisions, PG&E utility delays, updated gas and electrical service designs, field-condition changes, State Fire Marshal (SFM) code-compliance requirements, and additional City permits. The most significant impacts stem from delayed PG&E electrical and gas service, which prevents commissioning until permanent power is available.

PG&E issued final electrical plans in July 2025 after multiple inspections identified significant and necessary switchgear modifications. Portions of the system have now been approved, and remaining components are being refabricated. Once electrical work is complete, PG&E's service connection process will add at least five weeks of delays. Gas-service design was not finalized until late August 2025, and service installation is expected between December 2025 and mid-January 2026. Concurrent delays also resulted from required fire-suppression rework. After installation of the laboratory exhaust hoods, the SFM required additional sprinklers and piping adjustments to ensure proper water pressure.

The building is now projected to reach construction completion in June 2026. Final tasks include PG&E power connection, interior finishes, building-system testing, generator verification, and

SFM approval. Substantial project completion was reached in March 2026, allowing for the Plant Establishment Period (PEP) work to begin. Landscaping installation has commenced and includes a one-year PEP, extending the projected CCA date to March 2027.

At the time of the construction completion extension request, the RW Support and RW Capital needs were still being analyzed. Service connection, building commissioning and utility coordination are needed through CCA. This request aligns these remaining RW activities with the CON completion schedule. Additional time is needed to extend the RW Support phase, to align with the CCA deadline in March 2027.

Therefore, the Department is requesting a 10-month project development expenditure time extension to allow enough time to complete the RW Support phase from May 31, 2026 to March 31, 2027.

Project Number: 3
Applicant: Department of Transportation
County: Santa Barbara
District: 05
PPNO: 2448Y
EA: 1C951
Route: 101
Allocation Amount: \$617,000
Remaining Balance: \$467,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 06/29/2023
Allocation Resolution: FP-22-96
Number of Months Requested: 18 Months
Extended Deadline: 12/31/2027
Department Recommendation: Support

SHOPP Bridge 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 Bridge Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located near Goleta, south and north of Refugio Road Undercrossing (Bridge No. 51-0215L/R) and Canada del Refugio (Bridge No. 51-0030S). The project proposes installing landscape mitigation, as a child project to parent project EA 05-1C950 Bridge Replacement.

The PS&E phase was allocated in June 2023 to begin design of the landscape mitigation, however the parent project EA 05-1C950 had an 8-month delay during advertisement, resulting in design work being put on hold. The Department closely monitored the project's development and funding to complete the work within the adjusted schedule.

Design work has since continued on the child project but will not be completed by the current PS&E phase deadline in June 2026. The remaining design work will be completed within 10 months to achieve Ready-to-List (RTL) status, which aligns with the schedule of the parent project's estimated CCA milestone date in November 2027. The project schedule also aligns with the Department's SHOPP financial rebalancing constraints and programming timeline adjustments. There are no anticipated concurrent or follow-up actions.

Therefore, the Department is requesting an 18-month project development expenditure time extension to allow enough time to complete the PS&E phase from June 30, 2026 to December 31, 2027.

Project Number: 4
Applicant: Department of Transportation
County: Santa Barbara
District: 05
PPNO: 2919
EA: 1K520
Route: 154
Allocation Amount: \$2,044,000
Remaining Balance: \$1,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 05/18/2023
Allocation Resolution: FP-22-70
Number of Months Requested: 4 Months
Extended Deadline: 09/30/2026
Department Recommendation: Support

SHOPP Roadway Preservation project

The Department requests a 4-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.

This project is in Santa Barbara County, at various locations. The project proposes to rehabilitate drainage systems and install transportation management system elements.

The PS&E phase was originally allocated in May 2023 for delivery in 2023-24 but was delayed due to extensive environmental permitting requirements and site inaccessibility. RTL status was achieved in June 2025. The CON phase was allocated at the October 2025 Commission meeting.

The project was advertised and bids were opened on February 5, 2026. The Department received four bids. The lowest bidder was deemed non-responsive and the Department analyzed the remaining bids and an award recommendation was submitted for the second ranked bidder. In early March 2026, the fourth bidder filed a protest against the second bidder. The Department is internally processing the protest and reviewing awarding options. The Department anticipates awarding by September 2026.

Therefore, the Department is requesting a 4-month project development expenditure time extension to allow enough time to complete the PS&E phase from May 31, 2026 to September 30, 2026.