

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(4), Action Item

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Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR
LOCALLY-ADMINISTERED STATE TRANSPORTATION IMPROVEMENT
PROGRAM PROJECTS, ON THE STATE HIGHWAY SYSTEM, PER STIP
GUIDELINES
WAIVER 26-105**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project allocation for three locally-administered State Transportation Improvement Program (STIP) 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 allocation for three locally-administered STIP projects, for the time periods as identified in the attachment.

BACKGROUND:

The agencies will be unable to request an allocation of funds by the June 30, 2026 deadline. The attachment provides project details and explanation for the delays.

Current STIP Guidelines adopted by the Commission stipulate that funds programmed for all components of local grant projects, as well as Department construction and construction support costs, are available for allocation only until the end of the fiscal year identified in the STIP. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Time Extension/Waiver – Project Allocation
State Transportation Improvement Program**

Project Number: 1
Applicant: Contra Costa Transportation Authority
County: Contra Costa
District: 04
PPNO: 2321B
Allocation Amount: \$15,000,000
Phase: Plans, Specifications, and Estimate
Number of Months Requested: 20 Months
Extended Deadline: 02/29/2028
Department Recommendation: Support

I680 NB Express Lane Completion Ph 1 project

The Contra Costa Transportation Authority (CCTA) requests a 20-month time extension for the period of project allocation for the Plans, Specifications, and Estimates (PS&E) phase of the I680 NB Express Lane Completion Ph 1 project. Due to changes in federal executive administration, CCTA has experienced significant delays in obtaining review, approval, and execution of the funding agreement.

The project proposes to extend the managed lane from Livorna Road to State Route (SR) 242; covert the existing High-Occupancy Vehicle lane to an express lane from SR 242 to Arthur Road; operational improvements between North Main Street and Treat Boulevard, including braided ramps and construction of a dedicated truck-scale off-ramp connecting to the existing truck scale facility; and installation of limited-access buffers at various locations along northbound Interstate 680.

In October 2024, CCTA was awarded \$116 million through the Infrastructure Investment and Jobs Act Mega program for the Construction phase of the project. Over the past two years, CCTA has coordinated extensively with the Federal Highway Administration (FHWA) California Division and Headquarters staff. While progress has been made on the required documentation, the funding agreement has not yet been executed, and no anticipated approval timeline has been provided.

Both Mega and State Transportation Improvement Program (STIP) funds are needed to complete the project funding plan. STIP and other local funding sources are needed as matching funds; however, FHWA has advised that these funds will not qualify as matching funds if they are expended prior to execution of the Mega agreement. As a result of this, CCTA cannot initiate PS&E activities using STIP funds until the federal agreement is fully executed.

At the time of STIP programming, the project was anticipated to follow the traditional Design, Bid, Build delivery method. Based on successful and positive experience with alternative delivery methods, including Construction Manager/General Contractor on a recent project, CCTA will use the Progressive Design Build (PDB) delivery method to improve cost efficiency and provide

greater cost certainty through a negotiated guaranteed maximum price for construction. Under the PDB approach, design and construction phases occur concurrently, with the design consultant and contractor operating as a unified team. The programmed STIP funds will support the design scope of the project under this delivery approach.

This delivery method requires a Project and Construction Management (PCM) team to support procurement of the PDB team during both design and construction. The original project schedule anticipated procurement of the PCM team in 2025 and procurement of the PDB team in 2026.

Due to the delays associated with the execution of the Mega funding agreement, the project schedule has been delayed. CCTA completed procurement of the PCM team, with contract award anticipated in May 2026. Procurement of the PDB team is now anticipated by fall 2027.

Given the uncertainty regarding execution of the Mega funding agreement with FHWA, CCTA is requesting the maximum allowable extension to maintain schedule flexibility and align with the current project delivery assumptions.

Therefore, CCTA is requesting a 20-month time extension for the period of project allocation for the PS&E phase from June 30, 2026 to February 29, 2028.

Project Number: 2
Applicant: Sonoma County Transportation Authority
County: Sonoma
District: 04
PPNO: 2091P
Allocation Amount: \$3,100,000
Phase: Plans, Specifications, and Estimate
Number of Months Requested: 19 Months
Extended Deadline: 01/31/2028
Department Recommendation: Support

State Route 121 and 8th Street East Intersection Improvement Project

The Sonoma County Transportation Authority (SCTA) requests a 19-month time extension for the period of project allocation for the PS&E phase of the State Route 121 and 8th Street East Intersection Improvement project. SCTA experienced delays during the Project Approval and Environmental Document (PA&ED).

The project proposes roadway and intersection improvements on SR 121 at the intersection of SR 121 and 8th Street East. The project is evaluating two build alternatives—a signalized intersection and a roundabout—to enhance intersection safety, improve multimodal access, and achieve acceptable traffic operations. Both alternatives include construction of Class II bikeways (bike lanes) along SR 121 and Class I bike paths (shared-use paths), as well as high-visibility pedestrian crossings and pedestrian refuge improvements.

The PA&ED phase began on March 1, 2024, with an approved completion date of April 30, 2026. On June 5, 2025, it was discovered that a property adjacent to the project, where Right of Way acquisition is required, contains a wetland mitigation area subject to a restrictive covenant. In December 2025, the Department initiated preliminary consultation with United States Army Corps of Engineers (USACE) to establish the appropriate context prior to preparation and public circulation of the draft environmental document. However, USACE was unable to locate records associated with the permit that established the restrictive covenant or conservation easement for the wetland mitigation area.

In late 2025, SCTA obtained a draft conservation easement document and performed an exhaustive search of County records to determine whether the easement had been recorded. In early 2026, SCTA met with the property owner and confirmed that the conservation easement had not been recorded and that the restrictive covenant could potentially be amended with concurrence from USACE.

In early 2026, additional engineering analyses were conducted to evaluate if impacts to the wetlands could be avoided. However, due to the proximity of the Sonoma Marin Area Rail Transit District freight rail line and other adjacent resources, it was determined in April 2026 that impacts to the wetlands could not be avoided.

The efforts required to resolve issues associated with the restrictive covenant and conservation easement, and the additional engineering analyses, delayed the completion of the Natural Environment Study by 12 months.

In March 2026, both the Department and the Federated Indians of Graton Rancheria (Tribe) requested that SCTA consider an Environmental Assessment in place of the originally proposed Categorical Exclusion for National Environmental Policy Act (NEPA) compliance due to potential impacts to a culturally sensitive site and the wetlands.

In March of 2026, ongoing consultation conducted pursuant to Assembly Bill 52 and Section 106 of the National Historic Preservation Act indicated that the Tribe would likely require a testing plan and an extended Phase 1 investigation. Although the project is attempting to avoid known cultural resource sites, the sensitivity of the surrounding area requires additional testing and consultation to reach a finding of effect acceptable to all parties.

It is estimated that an additional seven months will be required to update technical studies and complete the NEPA environmental document. Combined with the 12-month delay associated with the disposition of the wetlands, the project schedule has been extended by approximately 19 months, resulting in a revised PA&ED completion date of November 30, 2027.

Due to these complexities, risks, and coordination requirements, additional time is necessary to complete the PA&ED phase, which directly affects the PS&E schedule.

Therefore, the SCTA is requesting a 19-month time extension for the period of project allocation for the PS&E phase from June 30, 2026 to January 31, 2028.

Project Number: 3
Applicant: San Luis Obispo Council of Governments
County: San Luis Obispo
District: 05
PPNO: 3086
Allocation Amount: \$2,300,000
Phase: Plans, Specifications, and Estimate
Number of Months Requested: 20 Months
Extended Deadline: 02/29/2028
Department Recommendation: Support

US 101 & State Route 46 NB Off Ramp Improvements project

The San Luis Obispo Council of Governments (SLOCOG) requests a 20-month time extension for the period of project allocation for the PS&E phase of the US 101 & State Route 46 NB Off Ramp Improvements project. SLOCOG experienced delays during the PA&ED phase due to unforeseen additional alternative analysis, expanded technical studies, and additional interagency coordination activities.

The project is located in Paso Robles, in San Luis Obispo County, and consists of constructing improvements to the United States Highway (US) 101 northbound off-ramp to SR 46E. The project scope includes widening the off-ramp and bridge to increase ramp storage capacity, reduce vehicle queuing, and improve operational efficiency and safety for freight and interregional traffic along the US 101 and SR 46E corridors.

As part of the Value Analysis (VA) process completed in May 2024, the Project Development Team (PDT) identified a previously unanticipated design concept, Alternative 1.1, which was not among the four alternatives evaluated in the original PSR-PDS and was newly developed during the VA process. Alternative 1.1 appeared to offer opportunities to reduce project costs, minimize impacts to the Salinas River riparian corridor, and eliminate the need to widen the existing northbound off-ramp bridge.

Evaluation of Alternative 1.1 required supplemental traffic data collection, additional traffic forecasting and operational modeling, safety analysis associated with implementation of the new Intersection Safety and Operational Assessment Process (ISOAP), geometric design refinements, and multiple rounds of interagency review and coordination. The introduction of this alternative also expanded the project study area requiring revisions of previously completed traffic, operational, geometric, and safety analyses.

Once Alternative 1.1 was identified through the formal VA process, the PDT was required to evaluate it to a sufficient level to determine feasibility and document whether it should advance or be eliminated. Because the alternative materially affected traffic operations, geometrics, bridge configuration, and safety performance, the resulting analyses and coordination were necessary to comply with project development and review requirements. As a result, the additional studies, forecasting, ISOAP evaluation, and interagency coordination activities became necessary to adequately evaluate the feasibility and performance of Alternative 1.1 as part of the project

development process. Following completion of these additional studies, the PDT removed Alternative 1.1 from further consideration in February 2026 due to identified safety, operational, and environmental support constraints. These additional PA&ED activities collectively resulted in an approximately 20-month shift to the project delivery schedule and associated downstream milestones, including PS&E allocation.

Therefore, SLOCOG is requesting a 20-month time extension for the period of project allocation for the PS&E phase from June 30, 2026 to February 29, 2028.