

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5s.(8), Action Item

Prepared By: Jaime Espinoza, Chief (Acting)
Division of Financial Programming

Subject: ALLOCATION AMENDMENT FOR A STATE-ADMINISTERED MULTI-FUNDED SENATE BILL 1 TRADE CORRIDOR ENHANCEMENT PROGRAM, SENATE BILL 1 LOCAL PARTNERSHIP PROGRAM (COMPETITIVE), AND STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECT, ON THE STATE HIGHWAY SYSTEM
RESOLUTION TCEP-A-2627-01, AMENDING RESOLUTION TCEP-A-2122-04
RESOLUTION LPP-A-2627-02, AMENDING RESOLUTION LPP-A-2122-05
RESOLUTION FP-26-06, AMENDING RESOLUTION FP-21-32

ISSUE:

Should the California Transportation Commission (Commission) approve an allocation amendment for the State-Administered multi-funded Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP), SB 1 Local Partnership Program (LPP) (Competitive), and State Transportation Improvement Program (STIP) State Route 55 Corridor Improvements from I-405 to I-5 project (PPNO 3470), on the State Highway System, in Orange County, to move \$843,000 from Construction (CON) Capital to Construction Engineering (CON ENG) due to increased construction engineering costs?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission approve an allocation amendment for the State-Administered multi-funded SB 1 TCEP, SB 1 LPP (Competitive), and STIP State Route 55 Corridor Improvements from I-405 to I-5 project (PPNO 3470), on the State Highway System, in Orange County, to move \$843,000 funds from CON Capital to CON ENG due to increased construction engineering costs.

BACKGROUND:

In October 2021, the Commission allocated \$201,660,000 to the CON phase and \$18,340,000 to the CON ENG phase for the State-Administered multi-funded SB 1 TCEP, SB 1 LPP (Competitive), and STIP State Route 55 Corridor Improvements from I-405 to I-5 project (PPNO 3470), under Resolutions TCEP-A-2122-04, LPP-A-2122-05, and FP-21-32.

The State Route 55 Corridor Improvements project (PPNO 3470) requires additional CON ENG funding due to significant schedule extensions that occurred after the construction contract was awarded in May 2022. Although the Commission approved a 16-month extension to the contract completion date at the time of allocation, the project continued to experience major delays.

The severe winter storms of 2022–2023 resulted in approximately 40 critical-path non-working days, delaying excavation, concrete placement, and structural operations while the Department maintained safe working conditions. The most significant delay resulted from prolonged Right of Way coordination for Temporary Construction Easement No. 19, which was anticipated in January 2023 but was not secured until May 2026. This 41-month delay prevented construction of the northbound outside lanes and required significant revisions to project staging.

Additional schedule impacts resulted from extended utility coordination with Southern California Edison and the City of Santa Ana Water, whose permitting and engineering review exceeded original projections. These cumulative delays increased the duration and intensity of resident engineering, inspection, materials testing, traffic handling, and contract administration, resulting in CON ENG expenditures of approximately \$400,000 per month and creating a funding shortfall.

At contract award, the project generated \$843,000 in SB 1 TCEP CON Capital savings when the awarded construction amount was less than the Commission's allocated amount. These savings were identified for transfer to the CON ENG phase. The total additional CON ENG phase funding need is approximately \$3.5 million. The remaining balance beyond the SB 1 TCEP savings will be funded through proportional contributions from State Highway Operation and Protection Program G12, STIP G12, and Local Measure funds, consistent with each funding source's participation share.

Due to the extended delays, the Department is concurrently requesting a 20-month time extension for the period of project completion at the August 2026 Commission meeting.

Therefore, the Department is requesting to move \$843,000 from CON Capital to CON ENG due to increased construction engineering costs.

The proposed changes are reflected in strikethrough and bold in the attached revised vote box. There is no change to the allocation amount.

FINANCIAL RESOLUTION:

Resolved, that State-Administered multi-funded SB 1 TCEP, SB 1 LPP (Competitive), and STIP State Route 55 Corridor Improvements from I-405 to I-5 project (PPNO 3470), is hereby amended to move \$843,000 from CON Capital to CON ENG due to increased construction engineering costs, in accordance with the attached revised vote box.

Attachment

Project #	Allocation Amount	Recipient	Project Title	PPNO	Budget Year	Amount by
RTPA/CTC	County	Location	Program/Year	Phase	Item #	Fund Type
Dist-Co-Rte	Postmile	Project Description	Prgm'd Amount	Project ID	Fund Type	Amount by
			Advantage Phase	EA	Program Code	Fund Type
2.5s.(8)		Allocation Amendment - State Administered Multi-Funded TCEP, LPP (Competitive), and STIP Project on the State Highway System				
						Resolution TCEP-A-2627-01
						Amending Resolution TCEP-A-2122-04
						Resolution LPP-A-2627-02
						Amending Resolution LPP-A-2122-05
						Resolution FP-26-06
						Amending Resolution FP-21-32
1	\$220,000,000	State Route 55 Corridor Improvements from I-405 to I-5. In Orange County in cities of Irvine, Santa Ana, and Tustin on Route (Rte) 55 from 0.4 mile north of Rte 55/405.	12-3470		001-0042 SHA	\$803,400
			RIP/20-21		001-0890 FTF	<u>\$6,200,600</u>
Department of Transportation		Separation to 0.1 mile south of Rte 5/55 Separation and on Route 5 at Newport Avenue Undercrossing (PM 29.6). Widen Rte 55 for an additional high occupancy vehicle (HOV) lane and a general-purpose lane in each direction within the project limits, re-establish existing auxiliary lanes, and proposes new auxiliary lanes. Also widen the MacArthur Boulevard, Dyer Road, Edinger Avenue, and South Tustin Overhead structures. All ramps will be reconstructed due to the widening. Traffic Signal Improvement at I-5/Newport Ave onramp (for mitigation only).	CON ENG		20.10.075.600	\$7,004,000
<u>OCTA</u>			CONST			
Orange			\$72,996,000		2021-22	
12-ORA-5,55					301-0042 SHA	\$8,372,700
29.6,6.4/10.3					301-0890 FTF	<u>\$64,623,300</u>
					20.20.075.600	\$72,996,000
		<u>Outcome/Outputs</u>	<u>Unit</u>	<u>Total</u>		
		Auxiliary lane constructed	Miles	4.5	TCEP-R/21-22	
		HOV/HOT mainline constructed	Miles	5.8	CON ENG	001-3291 TCEA
		Mixed flow mainline constructed	Miles	7.4	\$9,490,000	\$1,089,000
					\$10,333,000	\$1,186,000
		CEQA - MND, 08/31/2017; Re-validation 01/20/2021			001-0890 FTF	\$8,401,000
		NEPA - FONSI, 08/31/2017; Re-validation 01/20/2021			20.10.723.200	<u>\$9,147,000</u>
					\$105,510,000	\$9,490,000
					\$104,667,000	\$10,333,000
		Future consideration of funding approved under Resolution E-17-67; October 2017.			2020-21	
					301-3291 TCEA	\$12,102,000
		Time extension for FY 20-21 RIP CON expires June 30, 2022			302-0890 FTF	\$12,006,000
					20.20.723.200	\$93,408,000
						<u>\$92,661,000</u>
		Contribution from other sources: \$37,713,000.				\$105,510,000
						\$104,667,000
		As part of this allocation request, the Department is requesting to extend the period of project completion an additional 16 months beyond the 36 month deadline.	LPP-C/21-22			
			CON ENG		505-3290 RMRA	\$1,846,000
			\$1,846,000		20.10.724.100	
		For construction purposes, this contract will be combined with a SHOPP project EA 0G950/PPNO 3483 under EA 0J34U, Project ID 1218000034.	CONST		2017-18	
			\$23,154,000		801-3290 RMRA	\$23,154,000
		Concurrent SHOPP allocation request of \$15,900,000 under Resolution FP-21-25 (PPNO 3483/EA 0G950); October 2021.	1200020328		20.20.724.100	
			3.4			
			0J340			
		Right of Way Certification: 09/02/2021				
		<u>Amend Resolutions TCEP-A-2122-04, LPP-A-2122-05, and FP-21-32 to move \$843,000 from Construction Capital to Construction Engineering due to increased construction engineering costs.</u>				