

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

WEDNESDAY, OCTOBER 7, 2026

PLEASE NOTE THE LOCATION:

**San Luis Obispo County Board of Supervisors Chambers
KATCHO ACHADJIAN GOVERNMENT CENTER SAN LUIS OBISPO COUNTY
1055 Monterey Street, San Luis Obispo, California 93401**

PLEASE NOTE THE TIME:

9:00 A.M.

The AGENDA is available/posted at: www.slocog.org

Addendum:

Supplemental Information

POWERPOINTS – OCTOBER 7, 2026 (online):

https://sanluiscog.sharepoint.com/:f:/s/SLOCOGTeamFolder/lgBtqye-SE-WSZ-u48kSpIQ5Afa4qaLSmZA0Jbm_spu88Pc?e=0HFap0

III. DIRECTOR REPORTS:

- a. SLOCOG Executive Director: **See attached** *Executive Director's report.*

V. TRANSPORTATION AND PRESENTATION ITEMS:

- F-1 2026 Fund Cycle | Grant Pursuit Status | Major Projects (VOICE VOTE – APPROVE STAFF RECOMMENDATION).** Richard Murphy (**See attached** *staff report*).

- 1) Receive and file the October implementation and grants pursuit update for priority Major Projects associated with the 2026 Fund Cycle; and
- 2) Approve the project-specific implementation actions identified in Attachment A.

- F-2 State Legislative Update (VOICE VOTE - APPROVE STAFF RECOMMENDATION).** Gus Khouri, Legislative Consultant (Actum II, LLC) / Tim Gillham (**See NEW "Staff Recommendation a)"** below and in the attached Addendum staff report).

~~a) Support 5 bills and oppose 2 bills in SLOCOG Bill Matrix (Attachment A)~~

- a) Receive update on positions taken in June in SLOCOG Bill Matrix (Attachment A)
- b) Accept September 2nd State Legislative Update (Attachment B)

Executive Director's Report

SLOCOG Board Meeting

Wednesday, October 7, 2026

1. **California Transportation Commission Town Hall** - The event included presentations by SLOCAL, REACH, Caltrans, Paso Robles, RTA, and SLO City. Over 80 people attended the Octagon Barn event that preceded the Bob Jones Trail Ground Breaking. Phase 1 is now underway, and Phase 2 should be completed in early 2028. The event also included a bus tour of 9 transportation projects in the central and south county, and well as a presentation by the northern Chumash tribe at the Pismo Preserve.
2. **Federal Transportation Funding Reauthorization** - On September 2, President Donald Trump signed the Continuing Appropriations and Extensions Act, 2027 into law; the Senate passed the bill on August 8, while the House passed it on Sept. 1. The stopgap Continuing Resolution (CR) funds the entirety of the federal government, including the U.S. Department of Transportation (DOT), from **October 1 through December 11** at enacted Fiscal Year (FY) 2026 funding levels, averting a government shutdown that would have otherwise begun on Oct. 1. The House has still not yet voted on the \$580 billion **BUILD America 250 Act (H.R. 8870)**; House floor consideration cannot occur until the House Ways and Means Committee, which has jurisdiction over the Highway Trust Fund (HTF) and the federal gas tax, marks up and advances its part of the package. Senators have still not yet introduced a draft of their own surface transportation reauthorization bill to-date.
3. **Senator Laird's Community Transportation Projects –**
 - a) San Luis Obispo County for the Avila Beach Trail - The funding, provided to the County of San Luis Obispo, will support preparation of a feasibility study and permit planning for the Avila Beach Trail, stretching from the community of Avila Beach to Harford Pier at Port San Luis.
 - b) California Department of Parks and Recreation for the Hearst Ranch Trail at San Simeon - The funding, provided to California State Parks, will support completion of the first 3.5-mile segment of the Hearst Ranch Trail at San Simeon.
4. **Walk to School Day** – Over 35 SLO County schools are participating in the national event. SLOCOG provides promotion and incentives for participating schools & students. The event is part of [Walktober](#).
5. **World Day of Remembrance for Road Traffic Victims - Save the Date** - SLOCOG will recognize [World Day of Remembrance for Road Traffic Victims](#) on **November 15, 2026**, to honor people killed or seriously injured on local roadways and reaffirm the Road to Zero commitment to preventing future tragedies. The day of remembrance will be held Sunday, November 15, 2026, from 4:00 to 6:00 p.m. at Atascadero Lake Pavilion in Atascadero Park.
6. **Leadership skills at SLOCOG** - Ashley Kneeland, our Administrative Services Manager, has joined the California Academy of Regional Leadership! Our statewide association, CALCOG, hosts this event. Ashley is the 5th SLOCOG employee to participate in this popular program for emerging leaders.
<https://calcog.org/program-curriculum/>
7. **National Association of Regional Council's** – Over 100 various regional leaders are expected in Pismo Beach at this conference for Executive Directors on October 18-20, 2026. Planned speakers include Bill Higgins from CALCOG and Senator Salud Carbajal.
8. **Late Breaking & Upcoming meetings/events/deadlines:**
 - October 8, Hwy 101/46 off ramp public meeting, Paso Robles (Dinunzio)
 - October 19 – LOSSAN Board Meeting, Orange, CA (Strong)
 - October 15-16; CTC, Hanford (Murphy)
 - November 5, Hwy 1/41 intersection public meeting, Morro Bay (Rodriguez)
 - November 5-6, CALCOG (Strong)
 - November 16, LOSSAN (Strong)
 - November 20, CRCC Los Angeles (Rodgers, Okuna, Stewart)

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE:	October 7, 2026	***ADDENDUM***	ITEM: F-1
SUBJECT:	2026 Fund Cycle Grant Pursuit Status Major Projects		
STAFF CONTACT:	Rich Murphy		

SUMMARY

The 2026 Fund Cycle became operational following adoption of the 2026 State Transportation Improvement Program (STIP) by the California Transportation Commission in April 2026. Since that time, staff has worked with project sponsors, Caltrans, and funding partners to implement the Board's adopted Major Projects strategy, advance competitive grant applications, and reassess funding and delivery strategies as project conditions change.

With Senate Bill 1 Cycle 5 applications due in November, the October update represents an important decision point. Staff is advancing three priority SB 1 applications: a Trade Corridor Enhancement Program (TCEP) co-nomination with Caltrans for the SR 46E/US 101 Interchange, and two Solutions for Congested Corridors Program (SCCP) applications for SR 46W/US 101 in North County and US 101/Prado Road in Central County. Staff is coordinating with the Cities of Paso Robles and San Luis Obispo to finalize the scope, funding, and partnership commitments necessary to support these applications.

Other Major Projects are pursuing federal or state grant opportunities, continuing project development, or advancing toward construction with existing funding. Rather than applying the same funding strategy to every project, staff is matching projects with appropriate funding opportunities based on readiness, remaining need, competitiveness, and the ability of limited regional funds to leverage project delivery.

Attachment A summarizes the current Major Projects portfolio and identifies the grant pursuit, funding, and implementation actions recommended for Board approval. **Attachment B** provides the updated Shell Beach Road Shared Use Path strategy, and **Attachment C** includes letters of support from project partners for the proposed SB 1 Cycle 5 grant pursuits

RECOMMENDATIONS

- Staff:** 1) Receive and file the October implementation and grants pursuit update for priority Major Projects associated with the 2026 Fund Cycle; and
- 2) Approve the project-specific implementation actions identified in Attachment A.

TTAC Concur

CTAC Concur

BACKGROUND

The 2026 Fund Cycle established SLOCOG's discretionary funding commitments and implementation framework for the next five years of the regional capital improvement program. Following California Transportation Commission adoption of the 2026 State Transportation Improvement Program (STIP) in April 2026, staff transitioned from programming into active project implementation, discretionary grant pursuit, and regional funding coordination.

The Board's strategy focused on three complementary actions: reaffirming funding for implementation-ready projects, preserving contingency funding for advanced projects as they approach final design, and positioning the region's highest priority Major Projects for state and federal discretionary grant opportunities. As implementation progresses, staff continues working with project sponsors, Caltrans, consultants, and funding partners to reassess project readiness, costs, schedules, grant competitiveness, and implementation responsibilities before additional regional resources are committed.

This adaptive approach was discussed with the Board in August for the Shell Beach Road Shared Use Path. Following the CTC's denial of the requested TCEP scope change and lapse of previously programmed

construction funds, the project team recommended combining Phases 2 and 3 into a complete corridor project and focusing near-term resources on project development rather than immediately pursuing another construction grant. The objective is to improve project readiness and position the complete corridor for a future Active Transportation Program (ATP) or other competitive funding opportunity. Attachment B revisits this strategy and identifies the next project-development and funding actions for Board consideration.

DISCUSSION

Implementation of the 2026 Fund Cycle has reached an important transition point. Since the Board's August update, staff and project partners have continued advancing project development, funding plans, and partnership commitments for the region's priority Major Projects. The September 17–18 California Transportation Commission (CTC) Town Hall also provided an opportunity to present and discuss the region's transportation priorities with Commissioners and Caltrans leadership.

With Senate Bill 1 (SB 1) Cycle 5 applications due in November, staff is now concentrating technical and financial resources on three priority applications: the SR 46E/US 101 Interchange through the Trade Corridor Enhancement Program (TCEP), and SR 46W/US 101 and US 101/Prado Road through the Solutions for Congested Corridors Program (SCCP). These projects represent different regional needs and are being matched with the competitive programs most closely aligned with their benefits, readiness, and funding partnerships. Letters of Support for SLOCOG to pursue grant funding are included in Attachment C

SB 1 Trade Corridor Enhancement Program

• SR 46E Bundle – US 101 Interchange and Union Road

SLOCOG and Caltrans are advancing a Cycle 5 TCEP co-nomination for the SR 46E Bundle, consisting of two project components: the SR 46E/US 101 Interchange and SR 46E/Union Road.

For SR 46E/US 101, SLOCOG supports expanding the project-development scope to evaluate improvements to the US 101 southbound off-ramp following completion of the Project Report for the northbound off-ramp, provided the expanded scope does not delay delivery of the northbound improvement. This approach allows the partners to preserve the current project schedule while evaluating a more comprehensive long-term interchange solution. The grant request is to cover increased costs for design and right-of-way. SLOCOG has committed \$2.47M in match and requesting \$7M +/-.

For SR 46E/Union Road, SLOCOG will serve as the implementing agency for the TCEP application and pursue funding for the right-of-way phase consistent with the 2026 Fund Cycle recommendation (Feb. 2026). The City of Paso Robles remains neutral regarding the grant pursuit while they actively evaluate a lower-cost grade-separated alternative to the currently approved overcrossing. The funding and implementation strategy will be refined following completion of the City's feasibility study and review of the alternative concept anticipated in early spring. Findings from the study will be available to inform the granting agency's review and decision-making on the grant application. SLOCOG has committed \$2.07 Million in match and requesting \$20M +/- in grant funding.

SB 1 Solutions for Congested Corridors Program

Staff is advancing two geographically distinct Solutions for Congested Corridors Program (SCCP) priorities for Cycle 5: SR 46W/US 101 in North County and US 101/Prado Road in Central County. Both address important US 101 corridor needs but respond to different transportation, growth, and investment priorities

• North County – SR 46W/US 101

The proposed application combines the SR 46W/US 101 interchange improvements with the Vine Street Realignment and builds upon substantial prior project development. The strategy addresses a regional gateway connecting US 101 with SR 46W and the coast while improving local circulation, multimodal access, and opportunities for a future mobility hub. SLOCOG has committed \$3.25 million toward the grant application, and staff is working with the City of Paso Robles to finalize the funding plan, local contribution (approx. \$7M), delivery schedule, and implementation responsibilities necessary to support an SCCP request to address the following phased project components: South Vine St. Realignment (\$12M), South Vine Bridge (\$20M), Mobility Hub (T.B.D), 46W roundabouts west and east of US 101 (\$28M).

• **Central County – US 101/Prado Road**

The proposed application advances a new connection across US 101 supporting planned housing and employment growth, improved east-west circulation, multimodal connectivity, and transit access in South San Luis Obispo. Staff is working with the City of San Luis Obispo and Caltrans to finalize the project scope, cost, schedule, funding plan, and implementation responsibilities. SLOCOG has committed \$3.5M to the grant application and the City has identified approximately \$75M in local contribution. The City has also received confirmation of its eligibility for the SB 1 Local Partnership Program (LPP), which could complement the SCCP funding strategy and will focus on the Prado Bridge widening project over San Luis Creek.

For both SCCP applications, the respective cities will be asked to provide a Letter of Commitment identifying local financial participation and implementation responsibilities, including responsibility for project cost increases through contract award.

SCCP Application Prioritization

SCCP Guidelines require agencies submitting multiple project nominations to clearly prioritize them. Should both applications advance to submittal, staff proposes establishing SLOCOG's priority based on five factors:

- **Local Partnership and Financial Commitment** – documented local support, financial participation, and implementation responsibilities.
- **Project Readiness and Milestones** – progress on environmental clearance, design, right-of-way, utilities, agreements, and other delivery milestones.
- **Schedule and Delivery Certainty** – a credible schedule demonstrating the ability to achieve Ready-to-List and meet SCCP programming requirements.
- **Funding Plan and Leverage** – a complete funding plan demonstrating committed funding and a reasonable expectation that an SCCP award results in a fully funded, deliverable project.
- **RTP Implementation and SCCP Benefits** – advancement of SLOCOG Regional Transportation Plan goals and demonstrated SCCP benefits, including congestion reduction, reliability, multimodal access, safety, and regional economic benefits.

Local commitment and delivery certainty will serve as threshold considerations. A project without sufficient partner commitment or a credible delivery schedule would not be recommended as SLOCOG's highest-priority SCCP nomination.

Because project schedules, funding commitments, and application competitiveness will continue to be refined through submittal, staff recommend authorizing the Executive Director to establish the final SCCP priority immediately prior to application submittal on November 20th, using the criteria above. The priority ranking and supporting rationale will be presented to TTAC in advance of submittal and to the Board for ratification in December 2026.

Other State and Federal Grant Pursuits

Not every priority Major Project is being advanced through SB 1 Cycle 5. Staff is matching projects to state and federal funding opportunities based on readiness, remaining funding need, competitiveness, and the ability of SLOCOG funds to leverage outside investment.

Antelope Grade Segment 2 will not advance as a Cycle 5 TCEP nomination. Instead, staff recommends pursuing the recently released Federal PROTECT discretionary grant opportunity and retaining SLOCOG's existing \$2.0 million commitment as leverage for that pursuit. A successful federal award could strengthen the approximately \$100 million funding plan by providing a larger non-state contribution and potentially position the project for future TCEP investment. The 2026 TCEP guidelines include provisions for Advance Programming, which may provide a mechanism to access future TCEP capacity when needed to complement a time-sensitive federal award.

A similar opportunity-driven approach applies to the SR 227 corridor. The Edna-Price Canyon Trail is pursuing ATP Cycle 8 funding, while the Buckley Road Roundabout has pursued federal SS4A funding. Following those award decisions, staff will reassess remaining funding needs and project readiness before determining the next funding strategy. Depending on the outcomes, these projects could pursue another state or federal opportunity, be considered for SB 1 Cycle 6, or return for consideration through SLOCOG's 2028 Fund Cycle.

The Shell Beach Road Shared Use Path represents a different strategy. Rather than immediately pursuing another construction grant for a partial project, the proposed approach is to complete development of the combined Phase 2/3 corridor and position the resulting project for ATP Cycle 9 or another future competitive opportunity. Attachment B identifies the proposed project-development, funding, and partnership actions necessary to advance that strategy. Staff provided this information as a “notice only item” in the August grants pursuit status staff report.

Fully Funded Projects and Contingency Management

Grant pursuit is only one component of implementing the 2026 Fund Cycle. Several priority Major Projects are fully funded and advancing toward final design and construction. As these projects approach 100 percent design, staff continues monitoring cost, schedule, right-of-way, partnership obligations, and other delivery risks.

Consistent with the Board's adopted strategy, SLOCOG is preserving applicable contingency resources until updated engineer's estimates and delivery information provide greater certainty regarding final funding needs. Resources ultimately determined to be unnecessary can then be reconsidered through subsequent Board action or the 2028 Fund Cycle.

Attachment A summarizes the current implementation and grant pursuit status of the Major Projects portfolio and identifies the recommended next actions for each project.

Mid-Cycle Review and Adaptive Programming

Following key state and federal grant decisions, staff anticipates returning to the Board in late spring – early summer 2027 for a mid-cycle review of the Major Projects portfolio in advance of the 2028 Fund Cycle. The review will consider project priority, grant outcomes, readiness, remaining funding needs, and the ability of regional resources to leverage project delivery.

The review recognizes that regional priority does not automatically equal a continued funding commitment. As project conditions change, regional resources may be retained for a credible future grant pursuit, redirected to close a reasonably fundable gap on another priority project, used to advance project readiness, or preserved for the 2028 Fund Cycle.

The review will also look forward to the next generation of Major Projects, including potential Project Initiation Document (PID) investments and opportunities to partner with member agencies and Caltrans on early project development. This mid-cycle checkpoint provides the Board an opportunity to revalidate existing priorities and funding commitments while balancing delivery of today's portfolio with development of projects that may compete for funding in future Fund Cycles.

TTAC Discussion – SR 46E/US 101 Project Delivery

With PA&ED nearing completion, TTAC considered the appropriate approach for advancing the SR 46E/US 101 project into Plans, Specifications and Estimates (PS&E), including whether SLOCOG should continue consultant-led delivery or transition responsibility to Caltrans District 5. TTAC supported Caltrans assuming the lead role for PS&E, recognizing the benefit of integrating the project more directly with the State Highway System and providing an opportunity to evaluate improvements to the southbound US 101 off-ramp as part of a more comprehensive interchange strategy.

TTAC emphasized, however, that expanding the project-development scope should not delay or diminish the readiness of the northbound off-ramp improvement currently nearing completion of PA&ED. Staff therefore recommends that the northbound improvement continue advancing on a schedule that preserves its ability to remain a viable candidate for SB 1 Cycle 6 construction funding, while Caltrans evaluates the southbound improvements as part of the subsequent PS&E effort.

Staff will work with Caltrans District 5 to define the PS&E scope, schedule, staffing commitments, and transition responsibilities necessary to preserve the northbound project's delivery path while evaluating the longer-term interchange solution.

Next Steps

Following Board direction, staff will advance the actions identified in Attachment A and return following key grant decisions for a mid-cycle review of the Major Projects portfolio. The review will consider project priority, readiness, remaining funding needs, grant opportunities, and whether regional resources should be retained, redirected, or preserved for the 2028 Fund Cycle. A project may remain a regional priority without maintaining an indefinite regional funding commitment.

Attachment A: 2026 Fund Cycle – Major Projects Grants Pursuit & Implementation Recommendations

#	Project	Current Focus	Grant Program/ Strategy	SLOCOG Role	Staff Recommendation / Next Steps
SB 1 Trade Corridor Enhancement Program TCEP) & Solutions for Congested Corridor Program (SCCP) - Due November 19th					
1	SR 46E / Union Rd. Imps.	Evaluate lower-cost grade separation	Future state/federal/regional grant programs. Include in 2028 Self-Help expenditure plan	Regional partner	Advance TCEP co-nomination with Caltrans for R/W. Allow City feasibility work to proceed concurrent with grant request for lower cost solution. Reassess scope, project development and funding strategy when complete. SLOCOG commitment \$2.07M
2	SR 46E / US 101 Interchange	Advance interchange preconstruction and coordinated SR 46E strategy	SB 1 TCEP Cycle 5	Co-nominator / regional funding partner	Advance TCEP co-nomination with Caltrans for PS&E/R/W; expand scope to include southbound off-ramp within PS&E. Maintain schedule for n/b off-ramp SLOCOG commitment \$2.47M
3	SR 46W / US 101, Vine St. & Mobility Hub	Advance North County gateway improvements	SB 1 SCCP Cycle 5	Applicant / regional funding partner	Advance SCCP application subject to City commitment of funds. Inclusion of S. Vine St. realignment and mobility-hub. Develop phasing and funding plan as part of application. SLOCOG commitment \$3.25M
4	US 101 / Prado Rd. Overpass & Local Rd. Imps.	Support growth and multimodal connectivity	SB 1 SCCP Cycle 5 / potential LPP	Applicant / regional funding partner	Advance SCCP application; finalize scope, funding and City commitments. Coordinate with City's on City lead SB1 LPP application. SLOCOG commitment \$3.5M
Other State and Federal Grant Pursuits (Pending Federal FFY2026 SS4A, State ATP Cycle 8, and future SS4A and ATP grant submittals)					
5	SR 46E Corridor – Antelope Grade Ph. 2	Complete SR 46 expressway conversion; interregional freight and corridor mobility	Federal INFRA / BUILD / future state leverage	Regional funding partner / federal grant applicant / corridor advocate	Pursue federal funding (PROTECT) update corridor MOU . Redirect time sensitive Fed Demo repurpose (\$521K) from SR46E to Project #10. SLOCOG CON commitment \$2M to leverage federal grant application.
6	SR 227 / Buckley Rd. Roundabout	Continue design/environmental work while awaiting federal grant decision	Federal SS4A application submitted; future state/federal opportunities	Applicant / funding contributor	Await SS4A decision from federal DOT; reassess remaining need and as part of mid-cycle portfolio review. SLOCOG commitment: Los Ranchos Rd CON/S \$8.6M
7	Edna-Price Canyon Trail – Los Ranchos to Aero	Continue environmental/design development while awaiting ATP decision	ATP Cycle 8; future state/federal opportunities	Applicant / funding contributor	Await ATP Cycle 8 decision; reassess with other SR 227 corridor investments in mid-cycle portfolio review. SLOCOG commitment: Los Ranchos Rd CON/S \$8.6M
8	SR 41 / Main St. / SR 1 Roundabout & Bike/Ped Improvements	Complete environmental work and close remaining capital funding gap	Federal / state discretionary / Caltrans opportunities	Regional funding partner	Complete environmental document and Caltrans Project Report; Public meeting scheduled November 5 th on CEQA/NEPA. Reassess funding options prior to 2028 Fund Cycle (SS4A, ATP Cycle 9, 2028 STIP, 2028 SHOPP) as scope, cost and readiness advance in 2027. SLOCOG CON/S commitment \$7.8M
9	Shell Beach Rd. Shared Use Path – Phases 2 & 3	Complete development of the combined corridor rather than pursue partial construction	ATP Cycle 9 / future competitive funding	Funding partner / grant coordinator	Advance combined corridor development per Attachment B; position for ATP Cycle 9 and 2028 Fund Cycle. Recommend not to exceed \$900K for preconstruction (PAED/PSE) deducted from prior \$3.2M STIP commitment. Revisit in '28 fund cycle (Dec 2027)

Fully Funded Projects - Contingency Management (Contingency funds approved in the 2026 Fund Cycle, February 2027)					
10	SR 227 / Los Ranchos Roundabout	Construction implementation	Fully funded / delivery phase	Funding agency / implementation coordination	Monitor delivery and preserve SLOCOG contingency (STIP) until final costs are established. Program \$521K (See Project #5) of Federal Demo repurpose funds and reduce STIP commitment of \$8.6M or contingency funds of \$1.24M by \$521K. Total project commitment does not change. See Project #/5
11	Bob Jones Multi-Use Path Ph. 2	Complete final design and prepare for construction	Fully funded	Regional funding partner	Complete final design; monitor project cost and schedule and preserve capital contingency funds of \$1.45M. Reassess costs as part of 2028 Fund Cycle.
12	Morro Bay to Cayucos Connector	Final project delivery	Existing funding commitments / fully funded	Funding partner / implementation coordination	Monitor delivery and preserve contingency funds of \$570K until final costs are established.

And authorize the Executive Director to prioritize two SB1 SCCP applications for Projects #3 & #4; applying the criteria outlined on Page F-1-3 and return to the SLOCOG Board for ratification of the SCCP project priorities at the December 9th 2026 Board meeting.

NOTE regarding repurposing of Federal Demo funds (Projects #5 & Project 10). Federal Demonstration (Demo) funds that can no longer be used on their originally designated project may, when authorized, be repurposed to another eligible project rather than allowing the federal funding to lapse. The process is time-sensitive because repurposed funds must be assigned and obligated within applicable federal deadlines, requiring SLOCOG and Caltrans to quickly identify a suitable, eligible, and delivery-ready replacement project. Failure to do so risks the loss of the federal funds to the region.

ATTACHMENT B

Shell Beach Road Shared Use Path – Corridor Development Strategy

At the time the Board adopted the 2026 Fund Cycle and 2026 RTIP, staff anticipated advancing the Shell Beach Road Shared Use Path through a phased construction strategy. Since then, changes in funding availability, grant opportunities, and project development have led staff to reevaluate the implementation approach. Rather than advancing Phase 2 independently, staff now recommends completing development of the full corridor before pursuing construction funding. This funding approach was included in the [August 5th agenda \(Item C-1\)](#). Below is the August updated Project Fact sheet and corridor development strategy including a recommendation to shift a portion of SLOCOG construction funding commitment to design of the entire corridor.

#9 Project: Shell Beach Road Multi-Use Path

Lead Agency: City of Pismo Beach

As part of the 2026 Fund Cycle, staff provided a [project update \(December 2025\)](#) that included the funding strategy relying on near-term cost savings and TCEP retention to advance Phase 2 of the project. No new additional funding was committed at the conclusion of the Fund Cycle (Feb. 2026). Below is a discussion, restated from the August notice, that combines Phase 2 and Phase 3 of the project for a future ATP application.

Current Funding Outlook

Anticipated construction cost savings identified in December 2025 for the U.S. 101 Managed Lane project did not materialize and therefore could not be reprogrammed to the Shell Beach Road Shared Use Path Phase 2 project. On December 9, 2025, after identifying a bid miscalculation, the lowest bidder, Security Paving Company, Inc., requested and was granted relief of bid by Caltrans. Caltrans then awarded the construction contract to the second-lowest bidder, Granite Construction, whose low bid was \$55.3 million. With an additional \$6.8 million in Caltrans support costs, the total construction phase cost is just over \$62 million, using nearly all the current \$62.6 million programming capacity. Any cost savings will be identified at the end of construction and made available on a proportional basis for future programming.

After the anticipated cost savings did not materialize, staff coordinated with the City of Pismo Beach to prepare a scope change request to the CTC in an effort to retain as much of the \$3.6 million in TCEP grant funding as possible before the funds lapsed on June 30th. The request proposed constructing a path segment south of the Avila Beach Drive interchange to fill a network gap and connect with the city's bicycle and pedestrian network at El Portal Drive. Staff were notified on June 9 that the CTC did not approve the scope change request, and the funds lapsed on June 30th.

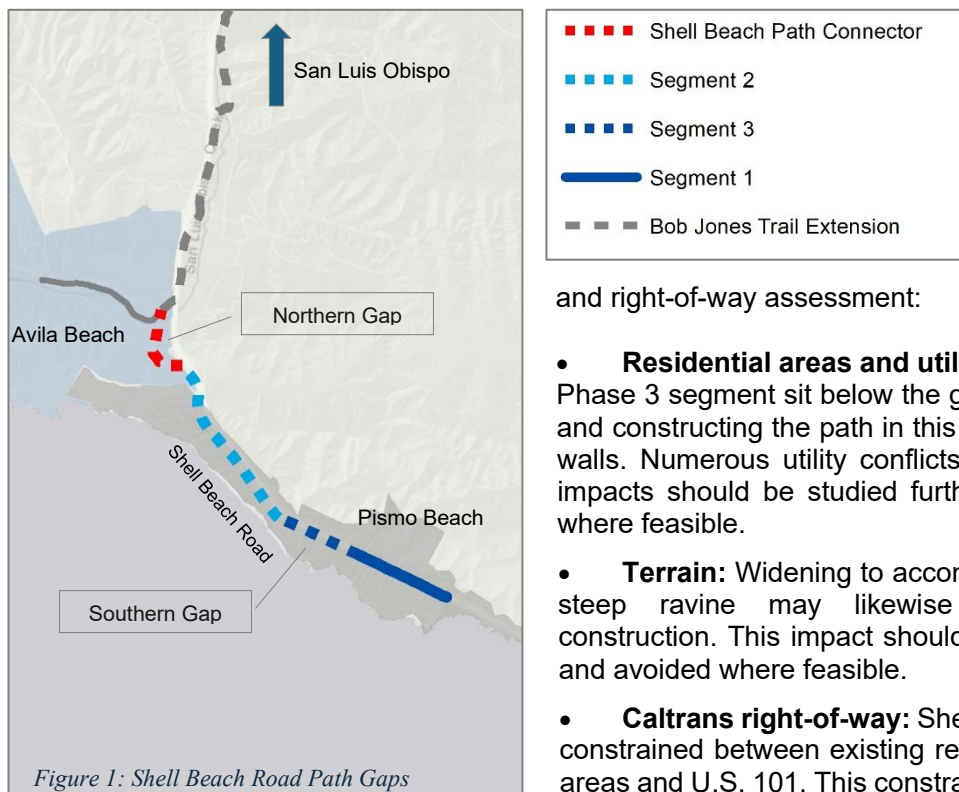
The FFY 2025/26 budget for Transportation, Housing and Urban Development (THUD) was signed into law February 3, 2026, and included \$2 million in Community Project Funding/Congressionally Directed Spending (CPF/CDS) for the Shell Beach Road Path Extension project secured by Congressman Salud Carbal. These funds will be programmed for construction in the 2027 Federal Transportation Improvement Program (FTIP).

Project Development Approach

Phase 2 of the Shell Beach Road Shared Use Path would fill an important gap in the regional active transportation network, but it would not by itself complete connections to the regional and local networks north and south of the project.

As shown in Figure 1, two key gaps remain at the northern and southern termini of Phase 2. Phase 3 would fill the southern gap in the local network, is required to be constructed as a condition of the CDP, is a high priority for the City of Pismo Beach, and would contribute to continuity of the regional path system. SLOCOG is also required as a condition of the CDP for the U.S. 101 Managed Lane project to complete a scoping study for a path connection between the Avila Beach Drive roundabout

and the Bob Jones Trail on Ontario Road. That study is nearly complete; however, the connection is not yet identified in any San Luis Obispo County planning documents, and delivery options remain unknown. Without a northern connection toward the Bob Jones Trail corridor, the project would not fully implement SLOCOG's long-planned "City to Sea" bicycle network connecting San Luis Obispo to the Five Cities area.



Preliminary design layouts and cost estimates have been prepared for Phase 3, but several segments of the project alignment carry cost risk that must be evaluated further during detailed design

and right-of-way assessment:

- **Residential areas and utilities:** Several homes in the Phase 3 segment sit below the grade of Shell Beach Road, and constructing the path in this area may require retaining walls. Numerous utility conflicts are also possible. These impacts should be studied further in design and avoided where feasible.
- **Terrain:** Widening to accommodate the path across a steep ravine may likewise require retaining wall construction. This impact should also be studied in design and avoided where feasible.
- **Caltrans right-of-way:** Shell Beach Road is physically constrained between existing residential and other built-up areas and U.S. 101. This constraint presents an opportunity to coordinate with Caltrans to evaluate whether the path could

instead encroach into state right-of-way and avoid impacts to residential areas, utilities, and the ravine.

In addition to the detailed design and right-of-way assessment tasks, introduction of federal CPF/CDS funds also requires completion of NEPA. During this pause, the PDT will also explore design opportunities in Phase 2 to encroach into state right-of-way in certain segments, helping to reduce construction costs and impacts to the hillside adjacent to Shell Beach Road and the need for retaining wall construction. This approach has been preliminarily evaluated with Caltrans District 5 staff and appears feasible, though right-of-way coordination with Caltrans and certification can take up to 18 months in many cases.

Capital Funding Outlook

The Active Transportation Program (ATP) is highly competitive and consistently oversubscribed. The \$3 billion in grant requests submitted for Cycle 8, which closed June 22nd, exceeds available programming by more than \$2.6 billion. In light of this, rather than applying for Phase 2 alone in ATP Cycle 8 as recommended in December, the project development team (PDT) concluded that the strongest and most competitive application would combine Phases 2 and 3 into a single project—fully connecting the path from Avila Beach Drive to Terrace Avenue, where the existing path begins in Shell Beach. The PDT will work to ensure the combined Phase 2/3 project is complete with NEPA, design, and right-of-way clearance in time to submit a grant application in ATP Cycle 9 (2028).

\$3.2 million in SLOCOG RIP funds, along with the \$3.6 million in TCEP funds, lapsed on June 30th. However, the remaining RIP funds will be available for reprogramming in the 2028 RTIP. To maintain the schedule needed to complete NEPA, design, and right-of-way for the new combined project and to allow the project to apply in Cycle 9, staff will program funding through a cooperative agreement with the City of Pismo Beach to cover the added costs of the extended project, deducting from the

current SLOCOG funding commitment of \$3.2 million. Or, if supported by the CTC, request an amendment to SLOCOG's RTIP and program RIP capacity for these costs. The 2027 FTIP (approved in August), will be amended to capture this recommendation if supported by the SLOCOG Board. Staff will return to the Board during the 2028 programming cycle with updated programming recommendations for the funding to pursue construction costs in ATP Cycle 9.

Project Capital Funding Outlook

Funding Source	Current Commitment (\$M)	Recommended Action	Notes
SLOCOG (RIP)	Not to exceed \$3.2M in Regional Discretionary Funding per the 2026 Fund Cycle & 2024 Fund Cycle – (Mid Cycle STIP amendment)	Confirm lapsed funding is returned to SLOCOG's 2028 Fund Cycle.	\$3.2M of STIP Funds lapsed June 30 th . Hold funding commitment not to exceed \$3.2M in SLOCOG discretionary funding; subject to change in the 2028 Fund Cycle. Deduct additional PE costs, not to exceed \$900K, from prior capital commitment.
Local	T.B.D.	Work cooperatively with City and County to secure local funding in partnership with SLOCOG.	No funding commitments have been established by either the City of Pismo or the County of San Luis Obispo. SLOCOG to formalize funding agreements before the 2028 Fund Cycle adoption (12/27).
TCEP	\$0	SB1 TCEP grant funds lapsed. No action required.	\$3.6M of SB1 TCEP grant funds lapsed on June 30, 2026, after Scope Change request was not approved by the CTC. These funds do not return to SLOCOG.
CPF/CDS	\$2 million (New)	Approve programming in 2027 FTIP	\$2 million in Community Project Funding – sponsored by Congressman Carbajal - was approved in the FFY 2026 budget.
Future Funds (ATP Grant, Local, or SLOCOG)	T.B.D.	Approve 2027 FTIP (agenda item F-1) and finalize corridor design. Develop funding plan for Capital needs.	Execute agreements as necessary with Pismo Beach to initiate NEPA and remaining design, and right of way to ensure the project has reached a design milestone to apply for ATP Cycle 9 funding.
Total	\$5.2M		<i>Total amount is \$1.55M less than project budget identified in the 2026 RTIP due to loss of TCEP funding.</i>

Project Development Schedule Update

Milestone	Year	Notes
Initiate NEPA, design, and right of way for new combined Phase 2/Phase 3	Oct. 2026	Local/regional cost share pending further coordination and local approvals.
Complete NEPA, design, and right of way of combined project	Dec. 2027	Use Regional State Highway Account funds ("STBG Exchange") for balance of NEPA/Environmental clearance activities
Administer the RTIP	Dec. 2027 – Dec 2028	Work with CTC to amend SLOCOG's 2026 RTIP for balance of preconstruction needs. Prepare funding plan for 2028 RTIP.
ATP Cycle 9 Call for Projects	Mar. 2028 (tentative)	Substantial completion of design and right of way necessary to ensure accurate grant funding request.
ATP Cycle 9 Staff Recommendations	Nov. 2028	
Begin Construction	FY 28/29	

Next Steps:

- **Cost-share agreement:** Negotiate the remaining Ph3 preconstruction cost share with the City of Pismo.
- **Complete Environmental, Design and right-of-way work:** Work with Pismo Beach to execute a contract amendment with the current design consultant to complete design and right-of-way tasks for both Phase 2 and Phase 3. Funding for the amendment will be deducted from the programming amounts approved in the 2026 RTIP.
- **Caltrans coordination:** Continue coordination with Caltrans District 5 to secure right-of-way encroachment, acquisition, or another agreement that would allow segments of the path to be constructed within state right-of-way and help reduce capital costs.
- **ATP Cycle 9 application:** Aim to submit an ATP Cycle 9 application in June 2028 for all construction and right-of-way costs. The match source and amount will be determined through future programming actions.

California Department of Transportation

CALTRANS HEADQUARTERS
1120 N STREET, P.O. BOX 942873
SACRAMENTO, CA 95814
(916) 654-2852
www.dot.ca.gov

November 20, 2026



Ms. Tanisha Taylor
Executive Director
California Transportation Commission
1120 N Street, MS 52
Sacramento, CA 95814

Dear Ms. Taylor,

The California Department of Transportation (Caltrans) supports the San Luis Obispo Council of Governments (SLOCOG) and Caltrans 2026 Senate Bill (SB) 1 Trade Corridor Enhancement Program (TCEP) application for the US 101/State Route (SR) 46 East Freight and Safety Improvements Bundle. This project represents a critical investment along two of the Central Coast's most important freight corridors (US 101 and SR 46)

SR 46 is a critical east-west freight corridor connecting the Central Coast with the Central Valley and supporting the movement of time-sensitive agricultural products. The US 101/SR 46 Bundle includes improvements at the SR 46/Union Road intersection and the US 101/SR 46 interchange in the City of Paso Robles, San Luis Obispo County. The Bundle includes two key elements to address conflict points and operational challenges. The first element will widen the SR 46 East off-ramp from US 101 and extend auxiliary lanes onto US 101 to improve traffic flow and reduce congestion. The second element will construct a new crossing of Union Road at SR 46, eliminating the existing at-grade crossing and improving safety and connectivity.

Together, these improvements will enhance safety, reduce congestion, and improve freight mobility. Through this joint application, SLOCOG and Caltrans seek to advance transportation improvements that support the regional and state economy and provide long-term benefits to freight operators, travelers, and local communities.

Caltrans would like to thank the California Transportation Commission for its consideration of this Project application.

Sincerely,

DINA EL-TAWANSY
Caltrans Director

PETE RODGERS
SLOCOG Director



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

September 29, 2026

Rich Murphy
Director of Programming | SLOCOG
San Luis Obispo Council of Governments

RE: Support for SCCP Cycle 5 Application – SR 46W/US 101 Corridor Improvements

Dear SLOCOG:

The City of Paso Robles supports the San Luis Obispo Council of Governments (SLOCOG) proceeding with development of a Cycle 5 application for the SB 1 Solutions for Congested Corridors Program (SCCP) for improvements to the SR 46W/US 101 corridor.

A coordinated corridor improvement strategy would advance several important transportation investments, including the SR 46W/US 101 interchange and ramp-terminal improvements, Vine Street bridge and realignment, east and west roundabouts at the US 101 ramp intersections, and the City's proposed mobility-hub property in the southwest quadrant of the interchange.

With several project components already substantially advanced through design, this effort presents an important opportunity to pursue construction funding through the SCCP. We support SLOCOG and its consultant, Mark Thomas, continuing development of the application and draft project scope.

Importantly, our support is based on the expectation that a significant portion of the Vine Street bridge construction and roadway realignment construction costs will be funded through SCCP grant or other non-City funding sources. Any ultimate City participation or local financial commitment will depend upon the funding secured, final project scope and funding plan, and subsequent City approval.

We look forward to continued coordination with SLOCOG as the application is developed.

Sincerely,


Chris Huot
City Manager



Office of the City Manager

990 Palm Street, San Luis Obispo, CA 93401-3249
805.781.7114
slocity.org

September 30, 2026

Pete Rodgers
Executive Director
San Luis Obispo Council of Governments
1114 Marsh Street
San Luis Obispo, CA 93401

Subject: US 101/Prado Road – Support for Development of SB 1 Cycle 5 Solutions for Congested Corridors Program Application

Dear Pete:

On behalf of the City of San Luis Obispo, I am writing in support of the San Luis Obispo Council of Governments (SLOCOG) proceeding with development of a Senate Bill 1 Cycle 5 Solutions for Congested Corridors Program (SCCP) application for the US 101/Prado Road project.

The US 101/Prado Road project is an important component of the transportation network serving San Luis Obispo and the Central County area. The project will establish a new east-west connection across US 101, improve multimodal connectivity, and support planned housing and employment growth in the southern portion of the City. The City appreciates SLOCOG's continued partnership in advancing this significant regional transportation investment.

The City supports continued coordination among the City, SLOCOG, and Caltrans District 5 as the SCCP application is developed. Through this process, the agencies will continue working collaboratively to refine the project scope, delivery schedule, cost estimate, funding plan, and respective implementation responsibilities necessary to position the project for a competitive Cycle 5 application.

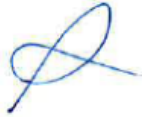
On September 25, 2026, the City was notified that it had been determined eligible for the SB 1 Local Partnership Program (LPP). With this eligibility confirmed, the City supports continued coordination with SLOCOG to evaluate how LPP funding may complement the SCCP request and other regional, local, state, and federal funding sources being considered as part of the overall funding strategy for the project.

As the project scope, cost estimate, funding strategy, and implementation responsibilities are further refined, the City will continue working with SLOCOG and Caltrans toward development of a subsequent Letter of Commitment identifying the specific funding and implementation commitments necessary to support the final SCCP application. Any such commitments will be subject to applicable City authorization and approval requirements.

This letter is intended to provide the City's support for continued development of the Cycle 5 application and the associated interagency coordination. It does not establish or modify specific City funding amounts or other final implementation commitments.

The City appreciates SLOCOG's leadership in pursuing this funding opportunity and looks forward to continuing our partnership with SLOCOG and Caltrans to advance the US 101/Prado Road project.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Scott Collins', with a stylized loop and a trailing line.

Scott Collins
Acting City Manager
City of San Luis Obispo

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE:	October 7, 2026	***ADDENDUM***	ITEM: F-2
SUBJECT:	State Legislative Update		
STAFF CONTACT:	Gus Khouri, Legislative Consultant / Tim Gillham		

RECOMMENDATIONS

Staff: ~~a) Support 5 bills and oppose 2 bills in SLOCOG Bill Matrix (Attachment A)~~
a) Receive update on positions taken in June in SLOCOG Bill Matrix (Attachment A)
b) Accept September 2nd State Legislative Update (Attachment B)

SSTAC: No action taken due to lack of quorum

TTAC: Did not consider revised recommendation a)

CTAC: Did not consider revised recommendation a)

