ATTACHMENT B

State Route 74 Ortega Highway Gap Closure and Multimodal Improvement Project Description and Recommended Funding

State Route 74 (SR-74) Ortega Highway Gap Closure and Multimodal Improvement Project

Scope and Status

The SR-74 Ortega Highway Gap Closure and Multimodal Improvement Project (Project) will close an existing gap by adding an additional lane in each direction on SR-74/Ortega Highway between Calle Entradero and Reata Road in the City of San Juan Capistrano to eliminate an existing chokepoint. The Project includes a 12-foot-wide striped median, five- to eight-foot shoulders in each direction to accommodate Class II bicycle lanes, sidewalk reconstruction, crosswalk restriping, and a new traffic signal at Via Cordova and Hunt Club Drive. The Project also includes seven retaining walls.

The Project achieved Ready to List in June 2026 and the California Department of Transportation (Caltrans) advertised the Project on September 21, 2026. Bids are expected to be opened on November 10, 2026, with contract execution expected late January 2027 and the project being open to traffic in early 2029. Final construction contract acceptance is anticipated in March of 2030.

Right-of-Way Funding

The Project's right-of-way (ROW) activities are funded with State Transportation Improvement Program (STIP) funds. Caltrans has received $9.979 million for ROW capital (CAP) and estimates that $13.560 million is needed to complete the phase.

The additional ROW funding is primarily needed to address increased state costs for utility relocations and associated private easement acquisitions. To deliver the planned roadway and bicycle improvements, the Project requires construction of retaining walls located adjacent to Palm Hill Drive. During the environmental phase, the facilities were not anticipated to conflict with the proposed improvements, and an initial estimate of $450,000 was established for utility relocations. In February 2026, during the final stages of design, the Santa Margarita Water District (SMWD) submitted relocation plans that required acquisition of private easements on two parcels. Because the SMWD possesses prior rights within the Project limits, the State is responsible for 100 percent of the relocation and associated acquisition costs.

The project development team and SMWD evaluated alternatives to avoid the private easement acquisitions, including relocating the sewer and water lines within existing SMWD easements under Palm Hill Drive and routing the facilities through the retaining walls. These alternatives were determined to be infeasible because they would require roadway reconstruction and additional retaining walls on private property, or special retaining wall designs with higher maintenance costs and potential project delays.

Acquiring the private easements was determined to be the most cost-effective and feasible alternative.

The Project's construction staging assumes the SMWD sewer and water relocations will be completed before construction of retaining walls. The additional $3.581 million in ROW CAP is therefore needed to complete the utility relocations and associated acquisitions and avoid delays in construction. Caltrans is requesting the supplemental STIP funds for consideration at the December 2026 California Transportation Commission meeting.

Construction Funding

Caltrans also identified an additional funding need in the construction support (SUP) phase of the Project. Staff is requesting authorization for an additional $1.1 million in STIP funds to fund the increase. Caltrans determined that additional intermediate construction stages and traffic handling would be needed to facilitate construction of the retaining walls. Caltrans also identified special events and senior communities immediately adjacent to the Project area that will require increased coordination and outreach during construction.

The existing and proposed updated funding plan is provided in the tables below:

Existing Funding (000's)	STIP	STBG / CPF-CDS	M2	Local	SHOPP	Total
PA/ED	$5,513	-	$1,950	$400	$250	$8,113
PS&E	$800	$1,500	$5,250	$1,750	-	$9,300
ROW CAP	$9,979	-	-	-	-	$9,979
ROW SUP	$2,500	-	-	-	-	$2,500
CON CAP	$17,800	$30,000	-	$3,000	-	$50,800
CON SUP	$6,800	$2,500	-	-	-	$9,300
Total	**$43,392**	**$34,000**	**$7,200**	**$5,150**	**$250**	**$89,992**

Proposed Funding (000's)	STIP	STBG / CPF-CDS	M2	Local	SHOPP	Total
PA/ED	$5,513	-	$1,950	$400	$250	$8,113
PS&E	$800	$1,500	$5,250	$1,750	-	$9,300
ROW CAP	$13,560	-	-	-	-	$13,560
ROW SUP	$2,500	-	-	-	-	$2,500
CON CAP	$17,800	$30,000	-	$3,000	-	$50,800
CON SUP	$7,900	$2,500	-	-	-	$10,400
Total	**$48,073**	**$34,000**	**$7,200**	**$5,150**	**$250**	**$94,673**

CON – Construction
CPF/CDS – Community Project Funding/Congressionally Directed Spending
M2 – Measure M2
PA/ED – Project Approval/Environmental Document
PS&E – Plans, Specifications, and Estimates
SHOPP – State Highway Operation and Protection Program
SR – State Route
STBG – Surface Transportation Block Grant Program