



**Department:** Public Works  
**Cost Center:** 9501  
**For Agenda of:** 2/17/2026  
**Placement:** Public Hearing  
**Estimated Time:** 60 min

**FROM:** Aaron Floyd, Public Works & Utilities Director  
**Prepared By:** Luke Schwartz, Transportation Manager

**SUBJECT:** REQUEST TO ADVERTISE THE HIGUERA COMPLETE STREETS AND REVISED 50 HIGUERA WIDENING PROJECTS FOR CONSTRUCTION

## RECOMMENDATION

### Higuera Complete Streets Project

1. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, Authorizing Appropriation of \$2,000,000 from the Infrastructure Investment Fund to support the Higuera Complete Streets Project, Specification Number 2001057" (Attachment A); and,
2. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, Accepting a Future Automobile Level of Service Deficiency at the Intersection of Higuera Street and Los Osos Valley Road in Connection with the Higuera Complete Streets Project, Specification Number 2001057" (Attachment F); and,
3. Authorize transfers to the Higuera Complete Streets Project (Account 2001057) from the following capital project accounts:
  - a. \$500,000 from Prado Creek Bridge Replacement (No. 2091252)
  - b. \$204,847 from Active Transportation Plan Implementation (No. 2000608)
  - c. \$100,000 from Vision Zero Implementation (No. 2000073)
  - d. \$50,000 from the Traffic Signal Maintenance & Replacements (No. 2001003)
  - e. \$120,000 from Water Valve Cover Adjustments (No. 2001005)
  - f. \$50,000 from Sewer Valve Cover Adjustments (No. 2000084); and,
4. Approve the project [plans](#) and [specifications](#), authorize the City Engineer to approve any minor refinements to final plans and specifications prior to advertisement, and authorize staff to advertise for bids for the Higuera Complete Streets Project, Specification Number 2001059; and,
5. Authorize the City Manager to award the Construction Contract for the Higuera Complete Streets Project pursuant to Section 3.24.190 of the Municipal Code for the bid total, if the lowest responsible bid is within the publicly disclosed funding amount of \$12,960,700; and,
6. Authorize the City Engineer to approve Contract Change Orders for the Higuera Complete Streets Project up to the available project budget, including any amendments authorized by the City Manager; and,

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7. Authorize the use of up to \$200,000 in unspent Higuera Complete Streets Project capital funds to support increased street sweeping obligations following project completion.

### 50 Higuera Widening Project

8. Approve project [plans](#) and [specifications](#) for the revised 50 Higuera Widening Project, Specification No. 2091294; and,
9. Authorize staff to advertise for bids for the 50 Higuera Widening Project, Specification No. 2091294; and,
10. Authorize the City Manager to award the Construction Contract for the 50 Higuera Widening Project if the lowest responsible bid is within the Engineer's Estimate of \$315,000; and,
11. Authorize the City Engineer to approve Contract Change Orders for the 50 Higuera Widening Project up to the available project budget; and,
12. Approve the transfer of \$22,600 from the 50 Higuera Widening Project Account (No. 2091294) to the New Streetlights CIP Account (No. 2001016); and,
13. Authorize the Finance Director to approve the transfer of any remaining unspent State Urban Highway Account project funds not required for construction of the 50 Higuera Widening Project to the Higuera Complete Streets Project (Specification No. 2001057).

### **REPORT-IN-BRIEF**

This agenda item requests that the City Council approve plans and specifications and authorize two closely-related projects on the Higuera Street corridor to be advertised for construction:

1. the Higuera Complete Streets Project, and
2. the revised 50 Higuera Widening Project.

While both projects advance traffic safety improvements on Higuera Street, they have different scopes, funding sources, and grant-related delivery requirements, and must be constructed in a specific sequence under separate contracts. The following report provides more information on each project, including the relationship between the two.

### Higuera Complete Streets

The Higuera Complete Streets Project (the "Complete Streets Project") advances the City's highest-priority infrastructure recommendation identified in the [2021 Active Transportation Plan \(ATP\)](#) and supports the mode shift priorities of the General Plan and Climate Action Plan, the Vision Zero goal to reduce severe traffic crashes, and the City's Major Goal of Infrastructure and Sustainable Transportation. This project has been consistently ranked as the top infrastructure priority by the City's Active Transportation Committee (ATC) and prioritized by the City Council for funding in the City's Capital Improvement Plan.

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The Complete Street Project advances improvements to walking, bicycling and overall traffic safety along the Higuera Street corridor from Marsh Street to Los Osos Valley Road and strengthens east-west active transportation connections via Madonna Road and the Meadow Park neighborhood. Improvements include pavement rehabilitation, refreshed roadway striping, more than 50 enhanced crosswalks, ADA curb ramp and signal upgrades, a new traffic signal at Higuera/Elks, over two miles of physically protected bike lanes, a four-lane to three-lane “road diet”<sup>1</sup> between Bridge Street and Margarita, and other measures to reduce illegal motor vehicle speeds and improve safety for all road users.

Final designs were informed by public input provided over nearly three years of project development and based on specific feedback provided by the City Council during the February 4, 2025 [Council Study Session](#). Emergency access and evacuation needs were also a key consideration in guiding final project planning and recommendations for pre- and post-project monitoring and ongoing coordination between City Public Works and emergency services, as discussed in detail herein.

The Complete Streets Project is fully designed and construction-ready, with over \$9 million in secured outside grant funding, including \$6.9 million from the [Caltrans Active Transportation Program \(ATP Cycle 6\)](#). The purpose of this item is to request that the Council approve the final Project plans and specifications, approve additional funding appropriations needed to advance to construction, and authorize staff to advertise this for construction bids.

### 50 Higuera Widening Project:

In addition to the Complete Streets Project, a separate, but related capital project is also presented herein—the revised 50 Higuera Widening Project (the “Road Widening Project”). This project has been in development for several years and was already approved for construction by the City Council on [April 15, 2025](#). However, due to significant environmental concerns involving designated heritage trees that were discovered prior to breaking ground, the Road Widening Project is no longer considered feasible at this time as originally designed. The purpose of the Road Widening Project, which has been advanced to this stage via a Federal Highway Safety Improvement Program (HSIP) grant, is to provide width for a center turn lane on Higuera Street between Bridge Street and Elks Lane to address an ongoing collision pattern with left turns in/out of driveways. A revised design approach has been prepared to accomplish the intent of adding width for a center turn lane, albeit with a smaller area of road widening and revised roadway striping configuration. The roadway widening extents that remain will provide width to add a center turn lane at Bridge Street, which could not be accomplished without widening the roadway width. South of Bridge Street, the 50 Higuera Widening Project would effectively advance a portion of the “road diet” planned with the Higuera Complete Streets Project, but needs to be advanced prior to the Complete Streets Project and via

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<sup>1</sup> A “road diet” involves motor vehicle lane reductions or narrowing, often involving reallocation of this roadway width for other uses, such as addition of on-street parking, turn lanes, bicycle lanes or pedestrian facilities. Per [FHWA](#), 4-lane to 3-lane road are a proven safety countermeasure with potential to reduce crashes by 19-47%.

a separate construction contract due to federal grant restrictions. This project will carry forward improvements identified in the Higuera Complete Streets Project so that it is a seamless transition for all roadway users. Staff is requesting that Council approve the revised project plans and specifications and authorize staff to advertise the revised Road Widening Project for construction.

Pending Council approval, both the Complete Streets Project and Road Widening Project would be advertised for construction in winter of 2026. The Road Widening Project would start construction in spring 2026 and take approximately one month to complete. The Complete Streets Project would most likely begin construction early summer 2026 following completion of the Road Widening Project, and continue through summer 2027.

### **POLICY CONTEXT**

#### Higuera Complete Streets Project

The City's [ATP](#) recommends improvements to bicycling and walking along the Higuera Street corridor as a Tier 1 (highest priority) project. The Complete Streets Project advances these improvements along Higuera Street and improves connectivity to other cross-town active transportation routes to the east and west of the Higuera corridor. To date, the Complete Streets Project has been prioritized in the 2023-25 and 2025-27 Capital Improvement Plans for funding to support planning, environmental review, design and construction, and the City's Active Transportation Committee (ATC) identified this project as their top funding priority for FY2023-25 and FY2025-27.

The Complete Streets Project supports the City's [General Plan Circulation Element](#) and [Climate Action Plan's](#) sustainable transportation goals and mode shift objectives, and directly aligns with the City's current Major City Goal of "Infrastructure and Sustainable Transportation".

The Complete Streets Project also advances the planned closure of Walker Street at Higuera as recommended in the [Mid-Higuera Enhancement Plan](#), and implements several safety improvements recommended in the City's [Draft Vision Zero Action Plan](#)<sup>2</sup>. As noted in the Draft Vision Zero Action Plan, Higuera Street is part of the City's High-Injury Network—the 10% of city road miles where 75% of fatal and severe injury collisions have occurred. Safety improvement recommendations were identified based on a data-driven analysis of ongoing crash trends along the Higuera Street corridor, including 11 fatal or severe injury crashes that have occurred on Higuera Street between Marsh and Los Osos Valley Road between 2018 and 2023. Over this time period, approximately 29% of all fatal crashes in San Luis Obispo occurred on this segment of Higuera Street.

The recommended actions for the Complete Streets Project funding appropriation and contract award are supported by the City Council's adopted Capital Improvement Plan

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<sup>2</sup> The Vision Zero Action Plan is currently in draft form and scheduled for final review and potential adoption by the City Council in spring of 2026. Visit the City's [Traffic Safety \(Vision Zero\) Website](#) for more information on the Action Plan and traffic safety data.

(CIP) as well as its Fund Balance and Reserve Policy. The City's [Fund Balance and Reserve Policy](#) states that the City will maintain a designated fund for the purpose of funding infrastructure projects that contribute to improved economic development and enhanced quality of life in San Luis Obispo—the Infrastructure Investment Fund (IIF). The use of IIF funds must support a project that would not otherwise be feasible due to economic timing or issues outside of control of the project proponents or the City. The recommended use of the IIF to supplement the Complete Streets Project is consistent with this policy in that these funds would support a project that would improve community safety and mobility, and would not otherwise be economically feasible without this funding, and will offset construction cost escalations that have occurred since the project was originally scoped. This action will also leverage and avoid forfeiture of the more than \$9 million in outside grant funding already secured for the project.

### 50 Higuera Widening Project

The City's [General Plan Circulation Element](#) and [Mid-Higuera Enhancement Plan](#) identify plans to widen various segments of Higuera Street to provide width for continuous center medians/left-turn lanes. The 50 Higuera Widening Project ("Road Widening Project") would accomplish the goal of providing a center turn lane along the stretch of Higuera Street between Bridge Street and Elks Lane, while also advancing traffic safety recommendations from the City's [Draft Vision Zero Action Plan](#) for this portion of Higuera Street. The Widening Project would not advance the full road widening extent as originally proposed and as contemplated in the Circulation Element and Mid-Higuera Enhancement Plan at this time due to environmental constraints but would not preclude future implementation of further road widening.

With regards to both the Complete Streets and Road Widening Projects, [California Government Code §830.6](#) establishes design immunity, protecting public entities from liability for injuries caused by a plan or design of public improvements when the design was approved in advance by a discretionary authority and supported by substantial evidence, even if the design later proves dangerous. The recommendation for the City Council to approve the project plans, and to authorize the City Engineer to approve any minor refinements to the project plans prior to construction advertisement, helps affirm the City's design immunity in advancing these projects.

## **DISCUSSION**

### **Higuera Complete Streets Project Background**

In 2021, the City Council adopted the City's first ATP, providing a blueprint to improve bicycling and walking as modes of transportation and to support the City's climate action, mode shift, and traffic safety goals. The ATP identifies a list of infrastructure projects organized by tier, with "Tier 1" projects representing the highest-priority projects with the greatest potential to increase bicycle and pedestrian mode share and reduce existing collision trends. Following adoption of the ATP, the City's Active Transportation Committee (ATC) ranked the Higuera Street corridor as the top ATP Tier 1 project to advance for development. Since early 2022, staff have completed preliminary planning,

secured over \$9 million in outside grant funding, completed a [traffic operations study](#) and environmental technical studies, and conducted significant public outreach, including a [Council Study Session](#) held on February 4, 2025 (see section further below for more details on Study Session feedback). Final construction documents are now complete, and staff is requesting that the Council approve final [plans](#) and [specifications](#) and authorize advertisement of this project for construction bids.

### **Higuera Complete Streets Project Scope**

The Project scope includes Higuera Street as a primary north/south backbone corridor from Marsh Street south to Los Osos Valley Road, with additional improvements along Madonna Road to the west and through the Meadow Park neighborhood to the east to complete connections between the Higuera Street corridor and other prominent active transportation routes to the east and west. A project vicinity map is provided below.

The project includes improvements for all road users, traffic calming elements to address illegal speeding, as well as enhancements to improve safety. At its core, the project repurposes existing street width to improve safety, reduce severe crashes, and add protected space for people walking and biking, while maintaining access for emergency vehicles. Below are some of the improvements included in the project plans:

- a) Pavement repairs and roadway sealing along full project extents
- b) >50 upgraded/new pedestrian crosswalks, ADA upgrades at >70 pedestrian ramps, addition of ADA audible pedestrian signals at six (6) intersections
- c) Closure of Walker Street at Higuera/Pacific as recommended in the Mid-Higuera Enhancement Plan
- d) Installation of a new traffic signal at the Higuera/Elks intersection
- e) High-visibility traffic signal backplates with yellow reflective borders to reduce red light running at all signals within Project limits
- f) Addition of protected only left turns (green arrow only for lefts) at the Higuera/Los Osos Valley Road intersection
- g) Addition of dedicated bicycle crossing traffic signal phases on southbound Higuera Street at Madonna and Los Osos Valley Road intersections
- h) Addition of radar speed feedback signs to discourage illegal speeding
- i) Reconfiguration of Higuera Street to one auto lane in each direction from just north of Margarita Avenue to just south of Bridge Street (“road diet”) to provide width for a center median/turn lane, buffered/protected bike lanes, and to reduce speeding. No traffic lane reductions are proposed anywhere else on Higuera Street.
- j) Neighborhood greenway connections to Hawthorne Elementary School and Broad Street, including traffic calming within the Meadow Park neighborhood on streets with existing speeding concerns
- k) Addition of green bike lane markings to increase visibility at intersection and driveway conflict areas
- l) Installation of over two (2) miles of physically protected bike lanes (see focused discussion later in this report regarding bikeway separation).
- m) Addition of Emergency Vehicle Preemption (EVP) equipment at all City-controlled traffic signals currently lacking this equipment within project limits.

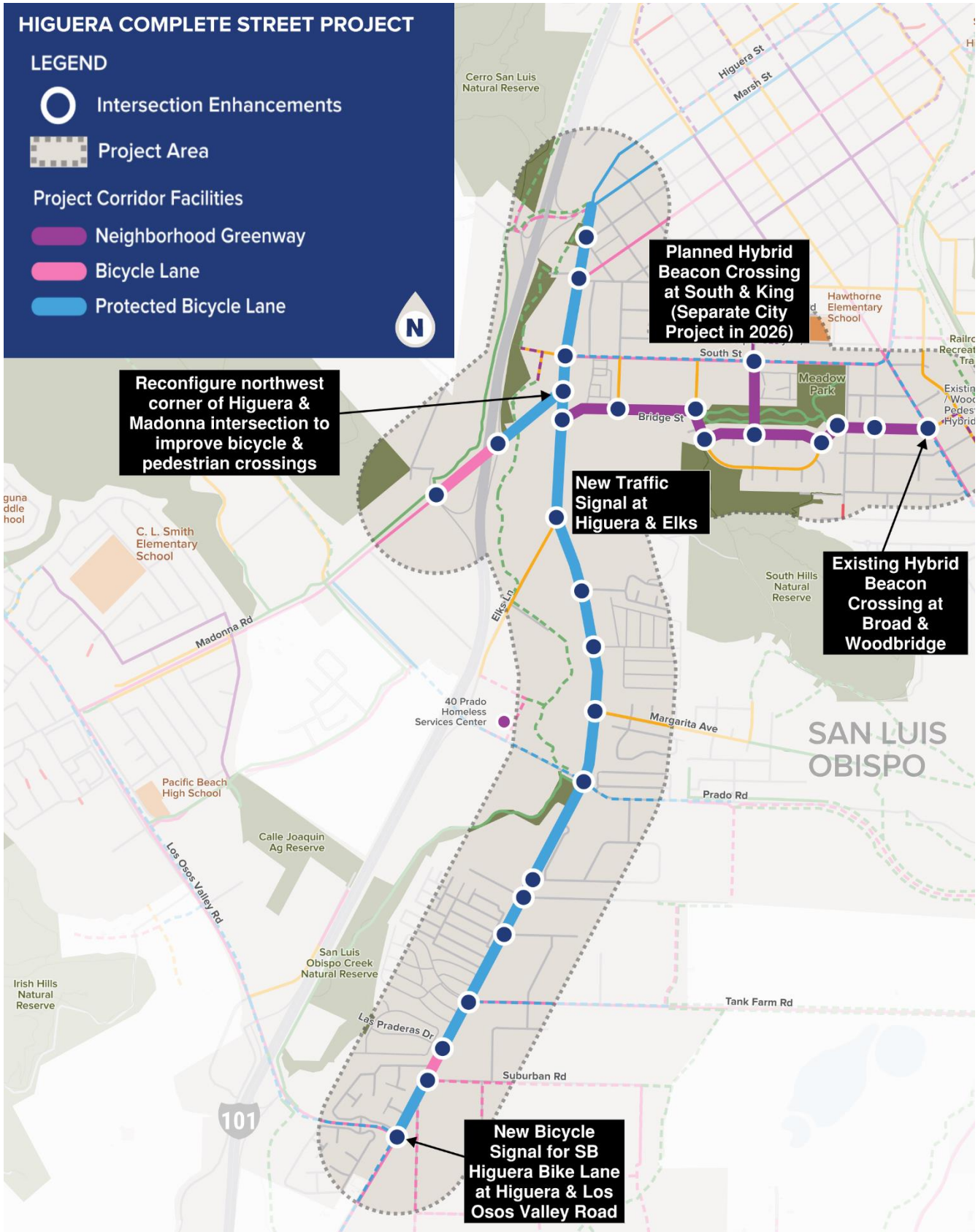


Figure 1: Higuera Complete Streets Project Vicinity Map

Final Complete Streets Project [plans](#) and [specifications](#) are provided for review. A simplified summary of the Higuera Complete Streets Project improvements is also provided as Attachment B.

### February 2025 Higuera Complete Streets Council Study Session Feedback

On February 4, 2025, a City Council Study Session<sup>3</sup> was held to present draft (65%-level) project designs and invite input from the community and Council to guide final designs. Specific feedback provided by the Council, is summarized as follows:

1. Higuera Street Road Diet Limits – The Council majority supported retaining the limits of the proposed 4-lane to 3-lane “road diet” on Higuera Street between Bridge Street and just north of Margarita Avenue as initially proposed, with additional direction to pursue expanding width of the center turn lane and timing of new Higuera/Elks traffic signal to improve access for drivers exiting the Chumash Village driveway.



**Figure 2: Proposed Road Diet Limits on Higuera Street**

2. Protected Bikeway Separation – The Council majority was supportive of using flex posts as vertical separation for protected bike lanes along most of the corridor but supported trying concrete curbs for bikeway separation along the “road diet” segment of Higuera Street between Bridge Street and Margarita where sufficient width is available, if financially feasible. Council also provided direction to make any concrete curbs as visible as possible and expressed support for designing concrete bikeway separation so that it could be modified or removed in the future,

<sup>3</sup> For more information on February 4, 2025, Council Study Session, see [staff report](#) and [meeting minutes](#) (see Agenda Item 7).

if needed, without significant effort/cost.

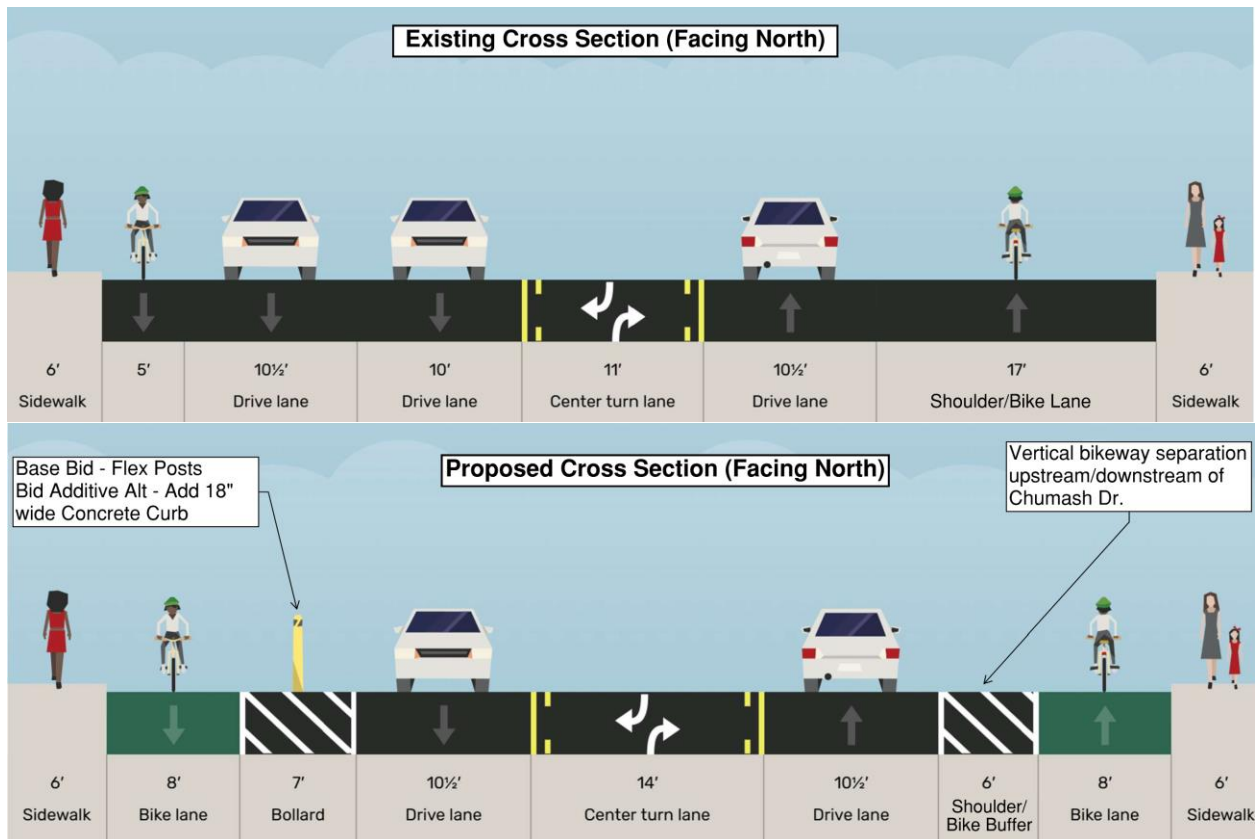
3. Higuera Street & Los Osos Valley Road Design – The Council majority supported the Study Session “Option 2” design strategy for the Higuera/Los Osos Valley Road intersection, which involved adding a dedicated bicycle signal phase to separate the southbound bike lane from conflicts with right-turning vehicle traffic.
4. Madonna Overpass Bikeway – The Council majority provided feedback to staff to continue further planning and design efforts for a potential shared-use path on Madonna Road as a future project following the Higuera Complete Streets Project, as staffing and funding resources allow. (Preliminary concept design provided [here](#)).

Staff has incorporated this feedback into the final Project plans, but would like to highlight the following updates:

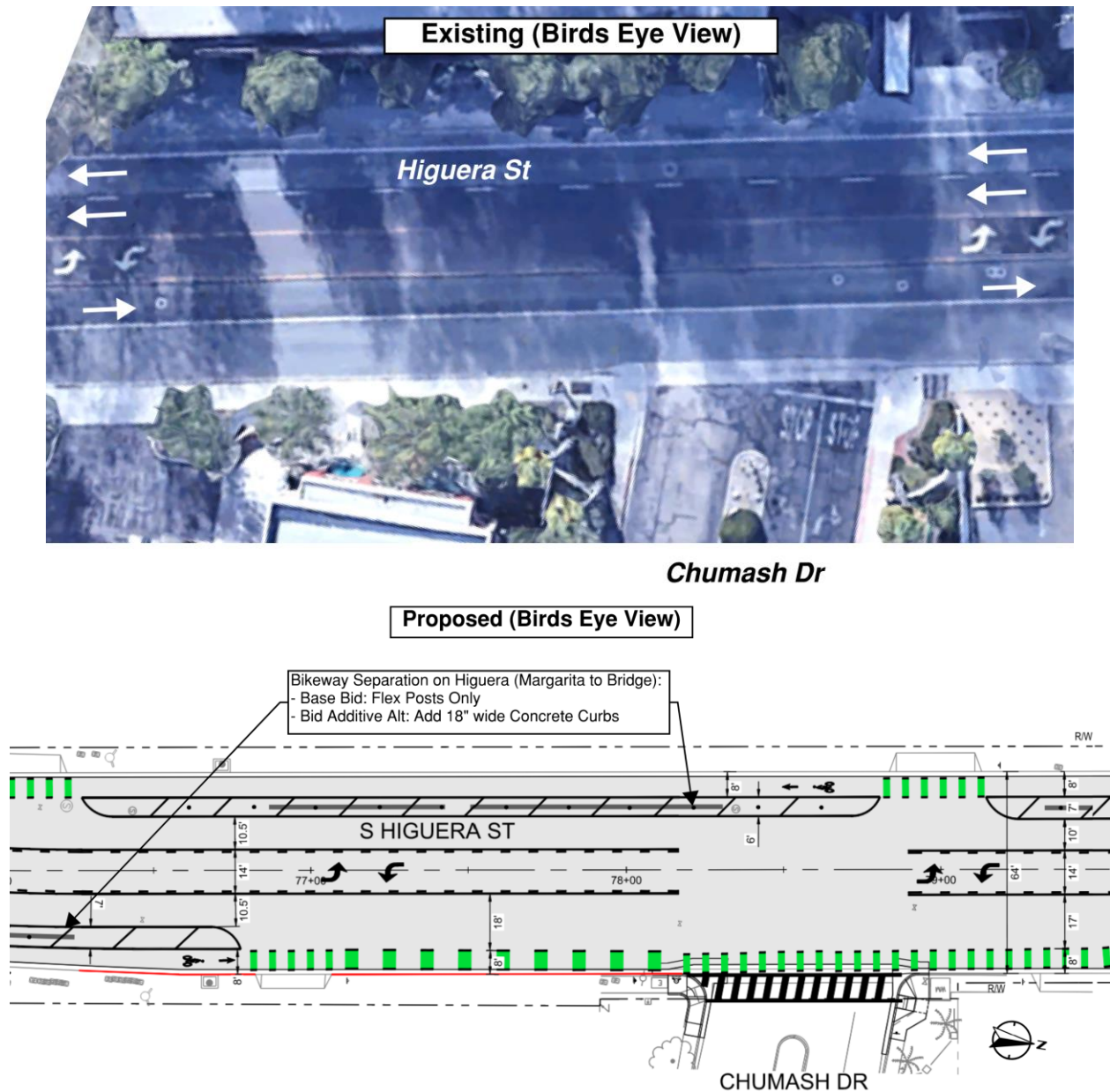
- Chumash Drive Access – While Council direction at the February 2025 Study Session did not recommend modifying the proposed Higuera Street road diet limits to avoid reducing traffic lanes at the Chumash Drive driveway, staff has conducted additional analysis and incorporated recommendations into the final project designs and post-project monitoring strategies to try and reduce potential concerns regarding ingress and egress for Chumash Drive residents.
  - a) A focused analysis of traffic operations at the Higuera Street/Chumash Drive intersection for existing and future traffic conditions concluded that the Complete Streets Project would add 3-5 seconds/vehicle of additional delay on average exiting Chumash Drive during peak periods, add no additional delay entering Chumash Drive, and the intersection would operate at acceptable level of service (LOS) C or better during peak hour traffic periods with or without the project.
  - b) A signal warrant analysis was conducted for the Higuera/Chumash Drive intersection based on California Manual on Uniform Traffic Control Devices (CAMUTCD) standards to confirm if a traffic signal could be considered for this intersection. Based on current traffic conditions and state engineering standards, a traffic signal is not currently warranted at this location.
  - c) It is expected that the new traffic signal at the Higuera/Elks intersection will create more gaps in southbound traffic flows downstream on Higuera at Chumash Drive, which should create more opportunities for drivers to turn left when exiting Chumash Drive compared to existing conditions. The traffic operations analysis results noted above conservatively do not reflect the potential benefits of this new upstream traffic signal.
  - d) Radar speed feedback signs have been added to the project plans, including signs placed for eastbound and westbound traffic upstream of the Chumash Drive intersection. The intent of these signs are to encourage slower speeds on Higuera Street approaching Chumash Drive, which can make it easier for drivers exiting Chumash Village to find gaps in traffic to turn onto Higuera.

- e) Additional red curb paint and NO PARKING signs were installed at Chumash Drive in 2025 to address concerns with illegal parking in the driveway line-of-sight. Final plans for the Complete Street Project further reinforce these parking restrictions and increase the width of the center turn lane, which provides more flexibility for drivers to turn left out of Chumash Drive in two stages and more clearance for emergency vehicle response. The graphics below provide more detail on the project designs at the Chumash Drive intersection. The plans also add high-visibility ladder crosswalk markings to increase visibility of pedestrians at this intersection.
- f) Staff recommends collecting existing and post-project data on average delays for drivers entering/exiting Chumash Village to confirm potential increases in driver delay. Results will be shared with the City Council, and potential remains to implement striping modifications in the future to restore the existing traffic lane configuration at this location if the City Council determines that potential increases in delay are unacceptable. See further detail later in this report on post-project monitoring strategies.

Existing and proposed street designs at the Higuera Street/Chumash Drive intersection are further illustrated in the figures below.



**Figure 3: Existing and Proposed Street Configuration of Higuera Street at Chumash Drive (Cross Section View)**



**Figure 4: Existing and Proposed Street Configuration of Higuera Street at Chumash Drive (Birds Eye View)**

- Update on Protected Bikeway Separation – The Final Plans include the addition of pre-fabricated concrete curbs for protected bikeway separation along the “road diet” segment of Higuera. Pre-cast curbs are manufactured off site, then placed directly on top of the roadway and pinned into place (imagine a large parking lot wheel stop), so that they can be moved/removed easily. However, due to cost concerns, these concrete bike curbs are included in the current construction documents as a “Bid Additive Alternate”, with flex posts included as the exclusive form of bikeway separation in the Project “Base Bid”. Concrete curbs are estimated to add \$300,000-

\$500,000 in project costs, and there is concern that there may be insufficient funding to accommodate this if bid prices exceed current estimates. For this reason, staff recommends bidding the concrete curbs as an “additive alternate”, which will help confirm the exact cost for this design option and provide flexibility for staff to (a) choose to include this component in the construction contract award if funding allows, or (b) install flex posts only as the “base bid” if current funding cannot support adding the concrete features.



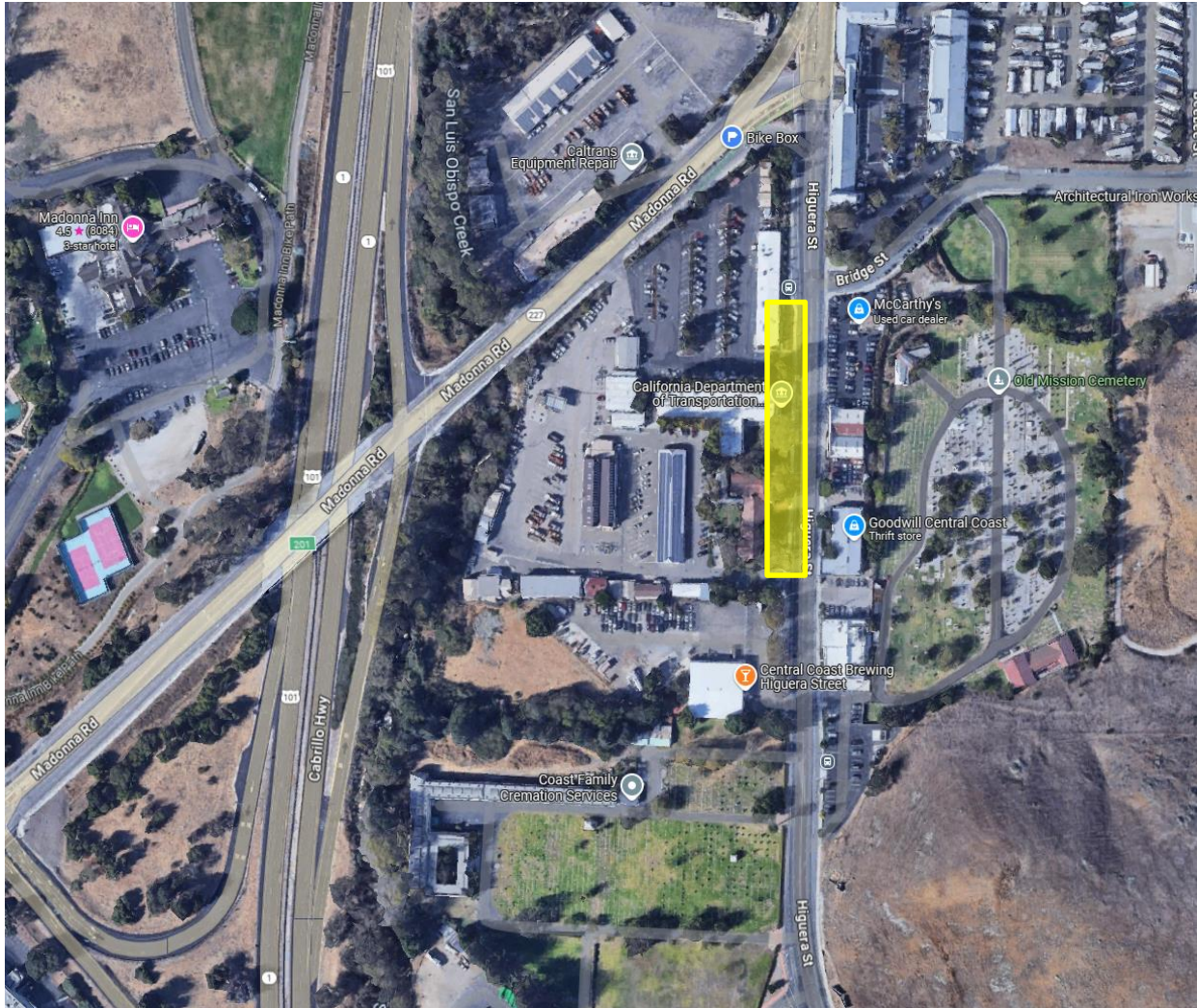
**Figure 5: Example Photo of Pre-Cast Concrete Bikeway Curbs in Bid Additive Alternative for Higuera (Bridge to Margarita)**

- Update on Madonna Shared-Use Path – Staff has progressed as far as current funding allows for development of [preliminary plans](#) for a future shared-use path along the Madonna Road Overpass. While the ATC, City Council, and community members have expressed clear interest in advancing this as a future project, no funding is currently programmed in the 2025-27 Financial Plan to advance with further feasibility studies, environmental review, or formal design work. Staff has a coordination meeting scheduled with Caltrans in early 2026 to discuss preliminary concepts, feasibility, and project development path moving forward, which will help guide future staffing and financial resource planning if Council supports prioritizing this project for funding in future budgeting opportunities. It should be noted that there are several complex considerations and unknowns that may affect the path forward with this project, including potential constraints with modifying the existing Madonna Road Overcrossing bridge structure, drainage and utility conflicts, and need for Caltrans review, permitting and approval of proposed designs, including a likely need for approval of features that do not meet Caltrans design standards for traffic lane and shoulder widths, which are more conservative than requirements for a local city street. The current design approach for the Higuera/Madonna intersection provides benefits with the current bikeway configuration on Madonna Road, while also allowing for a seamless connection to a future shared-use path on the north side of Madonna Road, if this path extension can be constructed in the future, avoiding the need for costly reconstruction of this intersection again in the future.

**Background on 50 Higuera Widening Project and Revised Design**

On [April 15, 2025](#), the City Council approved plans and specifications and authorized staff to advertise the 50 Higuera Widening Project for construction. Given recent City experience with tree conflicts on major capital projects, staff elected to reevaluate potential impacts on the heritage trees located adjacent to the project before initiating construction and commissioned an updated arborist evaluation prior to breaking ground. As originally planned, this project included roadway widening along a 600-foot stretch of Higuera Street fronting the Caltrans District 5 offices at 50 Higuera Street. The primary intent of this road widening was to provide additional width for a two-way left turn lane—the existing roadway has two lanes in each direction and no left turn lanes, which contributes to an ongoing trend of crashes at driveways and intersections. For reference, the proposed limits of road widening, as originally planned, are shown in the figure below (Figure 4).

The City previously secured federal grant funding through the Highway Safety Improvement Program (HSIP), completed environmental review, plans and specifications, and secured easements from Caltrans needed to construct the Project. However, staff have since encountered significant and unresolvable constraints that will not allow for construction of this project as originally envisioned.



**Figure 5: 50 Higuera Road Widening Extent as Originally Planned**

#### *Environmental Constraint Precluding Original 50 Higuera Roadway Widening Design*

Both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) environmental review were previously completed for the Road Widening Project. As part of the review, an independent Arborist Report was prepared in 2016 to evaluate potential impacts to existing trees that exist on Caltrans property along the 50 Higuera Street frontage, including seven (7) Heritage Trees<sup>4</sup>. These trees were planted between 1930 and 1950 and officially designated as Heritage Trees by the City Council on September 7, 2010, due to their unique addition to the historic and horticultural development of the city. More details are provided in the [September 7, 2010, staff report and corresponding resolution](#).

<sup>4</sup> The City's [website](#) provides more information on the Heritage Tree Program. A GIS map with more information on specific heritage trees in San Luis Obispo is also available [here](#).



**Figure 6: Incense Cedar and California Sycamore Heritage Trees Fronting 50 Higuera Street**

The road widening would encroach near these trees, but the 2016 Arborist report concluded that the trees could be preserved by modifying the alignment of a portion of the new sidewalk and by implementing a tree protection plan during construction. Preservation of these trees was an important assumption in the CEQA/NEPA environmental impact determination for the original project. Project designs and construction specifications were previously finalized in accordance with these recommendations.

Considering significant challenges with unanticipated tree conflicts encountered during construction of other recent City capital projects (including the Mission Plaza Enhancements Project and the Cultural Arts District Parking Structure), in spring of 2025, staff decided to commission an updated Arborist Report from a third-party consultant out of an abundance of caution before initiating construction on the 50 Higuera Widening Project. Unfortunately, the updated 2025 Arborist Report presented more troublesome findings regarding tree conflicts and concluded that (a) the proposed road widening would present a severe risk to several of these Heritage Trees, and (b) even a well-crafted tree protection plan could not reasonably shield these trees from a high likelihood of long-term decline, structural instability, or death. The City Arborist has conducted additional field observations and reviewed the updated 2025 Arborist Report and concurs with the finding that the road widening project as originally planned would present significant risk to these Heritage Trees that cannot be effectively mitigated.

Per [Section 12.24 of the City Municipal Code \(Tree Regulations\)](#), designated heritage trees must be protected and maintained and are prohibited from removal unless the City Arborist authorizes the removal based on poor tree health or hazard to public safety or property. At this time, there is insufficient justification to remove these trees based on these factors. Removal of these Heritage Trees or proceeding with construction despite the documented risk of causing severe harm to these trees would not only conflict with City policy but would also conflict with the previous CEQA and NEPA environmental approvals for this project.

Based on these concerns, staff has concluded that the 50 Higuera Widening Project could not proceed as originally planned, and a modified project design is recommended with this staff report.

### *50 Higuera Widening Project Redesign*

Staff is proposing a revised design for the Road Widening Project that would accomplish the primary intent of this safety project—provide a center left turn lane along this street segment—through roadway restriping and a smaller area of road widening near Bridge Street where there are no tree impacts.

The modified design would involve restriping the two (2) existing northbound traffic lanes on Higuera Street between Elks Lane and Bridge Street to one (1) through traffic lane and one (1) one center turn lane. This design would provide the safety benefits of providing a two-way left-turn lane, as required per the HSIP grant, without requiring the full road widening and risking tree impacts. Essentially, this would implement half of the future road diet proposed with the Higuera Complete Streets Project (see further discussion on the Complete Streets Project below). Attachment E shows the typical street cross section for (a) the roadway widening project as originally envisioned, (b) the revised project design, and (c) the proposed ultimate cross section with completion of the future Higuera Complete Streets Project.

Final [plans](#) and [specifications](#) for the revised project have been prepared, and the modified design approach has been approved by Caltrans, who administers the federal HSIP grant program in California. The revised design continues to meet the safety objectives and grant requirements of the HSIP program. Staff is now requesting that Council approve these construction documents and authorize staff to advertise the project for construction bids.

### *Relationship between Higuera Complete Streets and 50 Higuera Widening Projects*

Ideally, the road widening proposed with the 50 Higuera Widening Project would simply be added to the Complete Streets Project plans and implemented cohesively under a single construction contract. However, because the 50 Higuera Widening Project includes funding from a federal HSIP grant, incorporating this work into the Complete Streets Project would in turn “federalize” the Complete Streets Project, adding the need for additional environmental review per federal standards (NEPA), more complex and onerous bidding requirements, financial reporting, and administrative obligations that come with a federally funded project. Failure to construct the 50 Higuera Widening improvements per federal requirements could require the City to re-pay the approximately \$400,000 in HSIP grant funds already expended for pre-construction work. For this reason, staff recommends advancing these improvements as two stand-alone construction projects. See “Next Steps” discussion below for more information on construction timing of each project.

### **Emergency Response and Evacuation Considerations**

Based on a detailed review of project plans and analysis of evacuation considerations

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with city emergency services, staff does not expect the proposed improvements to substantially interfere with regular emergency response or the ability of properties to effectively evacuate along the Higuera Street corridor during an emergency event. While certain street design strategies—specifically the proposed traffic lane reductions (“road diet”) and traffic calming features (i.e. lane narrowing, protected bike lane vertical elements)—are likely to result in modest increases in evacuation times compared to existing conditions, total evacuation clearance times along the Higuera Street corridor are estimated to remain within typical benchmarks used for urban evacuation planning. Still, as discussed further below, Public Works staff is committed to ongoing monitoring and coordination with local emergency services during and after construction of these improvements, and is prepared to implement minor refinements to project designs if needed to address unanticipated concerns. See detailed discussion below for more information on emergency response and evacuation analysis.

While the 50 Higuera Widening and Higuera Complete Streets Projects have been designed to ensure compliance with all state and local requirements for emergency vehicle access, as discussed at the February 2025 City Council Study Session, it is also important to review final design details closely with emergency service providers, specifically the City Fire Department (SLO Fire) and Police Departments (SLO PD) to (a) minimize potential for increases in emergency response delays and (b) ensure that the proposed Project would not present any significant impediment to the ability to evacuate during a large-scale emergency event.

Balancing street designs that prioritize day-to-day traffic safety while simultaneously accommodating rapid emergency response and surge traffic during potential evacuation events is a constantly evolving challenge. Design elements that are proven traffic safety countermeasures—such as narrower auto lanes, road diets, separated bike lanes, and enhanced pedestrian crossings—can reduce illegal speeding and improve safety under normal conditions, but may also introduce friction for emergency vehicles that need to move quickly and bypass traffic during emergency events. City Public Works and emergency services (SLO Fire and SLO PD) have been collaborating closely on this topic through development of the Draft Vision Zero Action Plan and will continue to work in unison to make informed recommendations on each roadway improvement that balance these priorities with an overarching goal to improve overall public safety.

Based on previous review of the Higuera Complete Streets Project with emergency services, the following design refinements have been incorporated into final project plans to reduce potential for impacts to day-to-day emergency response:

- a) Flex posts are used as the primary form of protected bikeway separation. Flex posts have a narrow profile and can be easily adjusted/removed if needed or mounted by a vehicle in a dire emergency. Bikeway vertical elements are omitted at intersection approaches, near fire hydrants, and where raised center medians exist to retain extra road clearance for emergency vehicles.
- b) Wherever possible, the width of the striped center turn lane/median on Higuera has been increased to allow more flexibility for emergency vehicles to use this

space to bypass other vehicles during an emergency.

- c) Emergency Vehicle Pre-emption Equipment (EVP)<sup>5</sup> will be added as part of the project at all city-owned traffic signals within the project limits that currently lack EVP equipment, such as Higuera/South, Higuera/Madonna and Higuera/Margarita. GPS EVP detection equipment is added (in addition to existing infrared-based detection) at select intersections to improve upstream detection and add more time to clear traffic ahead of an emergency vehicle.
- d) EVP equipment upgrades for SLO Fire and SLO PD vehicles have been funded as part of the South/King Crossing CIP Project and are expected to be installed prior to completion of the Higuera Complete Streets Project.
- e) The closure of Walker at Higuera has been designed in a way that closes the street to unauthorized vehicles, while preserving pedestrian safety and retaining access for maintenance and emergency response when needed by using removable bollards.

Further, the future addition of Fire Station #5 near the Avila Ranch development, which could be operational as an interim station within the next two to three years, is expected to significantly improve the day-to-day emergency response capabilities within the southern portion of the city, including response to the South Higuera corridor.

As part of the City's in-progress work on a Citywide Evacuation Study, a focused evacuation study was prepared for the Higuera Street corridor (Attachment C) to evaluate potential changes to evacuation times with addition of the Complete Streets Project. The evacuation study, prepared by the San Luis Obispo Community Fire Safe Council, models evacuation conditions for the following potential emergency events that could impact Higuera Street:

- Evacuation Scenario A: A fire or flooding event along San Luis Obispo Creek affecting creek-adjacent neighborhoods west of Higuera Street between Prado Road and Los Osos Valley Road (Evacuation Zone SLO-024)<sup>6</sup>.
- Evacuation Scenario B: A wildfire in the South Hills Open Space (Evacuation Zone SLO-025), requiring evacuation of the Margarita Area, Chumash Village and surrounding neighborhoods.

This analysis conservatively assumes the worst-case evacuation demand, with a potential large-scale emergency event occurring at a time where most residential and commercial properties are occupied and need to evacuate immediately. To evaluate the effects of the Complete Streets Project, the roadway capacity on Higuera Street was modified to reflect

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<sup>5</sup> EVP equipment allows emergency vehicles to communicate with a downstream traffic signal to prioritize green lights in the direction the vehicle is traveling. This helps queued traffic to clear out of the way of an approaching emergency vehicle and improves safety for first responders by holding red lights for all conflicting intersection approaches. A key recommendation in the City's Draft Vision Zero Action Plan (Post-Crash Care Chapter) is to invest in EVP upgrades throughout the city to improve EMS response times.

<sup>6</sup> Evacuation Zone boundaries can be viewed on [the following map](#), or the [www.prepareslo.org](http://www.prepareslo.org) website.

the proposed 4-lane to 3-lane road diet between Bridge Street and Margarita and assuming a 5 mph reduction in operating speeds along the full Higuera Street corridor due to the proposed traffic calming and complete streets design features. The table below summarizes the estimated evacuation clearance times for each emergency event with and without the Complete Streets Project.

**Table 1 – Evacuation Clearance Times with and without the Higuera Complete Streets Project**

Zone	Emergency Type	Evacuation Clearance Time		Change
		Existing Conditions	Complete Street Project	
SLO-024 (SLO Creek w/o Higuera Street)	Flood	107 min	117 min	+10 min
	Fire	100 min	114 min	+14 min
SLO-025 (South Hills)	Fire	95 min	103 min	+8 min

The analysis estimates that during a worst-case evacuation event, the addition of the Complete Streets Project could increase evacuation clearance times by approximately 8-14 minutes compared to existing conditions. Actual evacuation times would vary based on incident conditions, evacuation activation notice, and public response; however, the modeled clearance times provide a reasonable, if not conservative, planning-level estimate consistent with accepted practices to guide emergency preparedness and planning decisions.

Currently, there are no specific Federal, State or locally adopted performance thresholds for maximum evacuation times; however, the evacuation study states that the modeled evacuation clearance times remain within two hours, which is commonly used as a performance benchmark for urban neighborhood-scale evacuation planning. It is important to note that every evacuation involves numerous variables that can affect overall clearance times. The type of incident, such as flood, fire, hazardous materials release, or civil disturbance, presents different operational challenges, and evacuation timelines may need to be adjusted accordingly. Under certain conditions, evacuations could reasonably take longer than two hours; however, the two-hour benchmark is used as a planning assumption, providing a consistent baseline against which evacuation strategies, infrastructure constraints, and operational decisions can be evaluated.

The study concludes that with proper evacuation noticing, effective public communication and coordinated traffic management strategies, the transportation network is expected to continue to function acceptably during an emergency evacuation event with or without the Complete Streets Project.

To minimize potential increases in emergency response and evacuation times in conjunction with the Complete Streets Project, staff propose the following actions prior to and during construction:

1. Evacuation Signal Timing Plans: Prepare pre-programmed traffic signal timing plans at intersections along the Higuera Street corridor that could be activated during an evacuation event to prioritize movement of traffic away from the hazard area. *(Transportation Engineering staff will implement these timing plans prior to start of construction).*
2. Construction Coordination:
  - a. Schedule a pre-construction meeting between City Public Works and emergency services staff to coordinate project construction phasing, construction schedule and strategies to minimize impacts to emergency response during construction activities. *(Public Works staff will arrange a pre-construction meeting with local emergency services representatives and continue with regular updates and communication during construction).*
  - b. Retain at least one lane open to traffic in each direction on any primary emergency response routes affected during construction. *(Project bid documents require that the contractor always retain one lane of traffic in each direction on Higuera Street and Madonna Road, unless otherwise approved by City emergency services. The construction documents also require the most disruptive work on these major roadways to be scheduled as night work, where feasible).*

In addition to the above recommendations, staff will also monitor post-construction performance and will be prepared to quickly implement refinements to project designs as needed if any concerns are identified by local emergency response providers. See “Next Steps” section below for further detail.

### **Next Steps**

#### Higuera Complete Streets Project Next Steps and Monitoring Strategies

On January 29, 2025, the California Transportation Commission (CTC) approved the allocation of \$6.9 million in Caltrans ATP grant funding awarded to the Complete Streets Project construction. With Council approval of the recommendations presented in this staff report, staff will advertise this project for bids during winter of 2026, with plans to award the construction contract and start construction in late spring/early summer 2026. Project construction is expected to take up to one year to complete, including lengthy lead times for traffic signal equipment.

Through the City’s SLO in Motion Program, updates to the community will be provided prior to and throughout construction to notify the public and emergency service providers of upcoming construction activities and potential travel delays. Where feasible, the most disruptive road work will be scheduled as night work to minimize impacts to road users.

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As a requirement of the Caltrans ATP grant, staff will be conducting pre- and post-construction data collection for the Complete Streets Project to track changes in auto/ped/bicycle traffic volumes and vehicle speeds. In addition, staff will conduct the following monitoring after construction to evaluate performance and need for design refinements, if any:

- a) Monitor average vehicle delays and driver behavior along the “road diet” segment of Higuera between Madonna and Margarita Street, including delays for drivers exiting the Chumash Village driveway (0-12 months post-construction)
- b) Review crash data compared to pre-project conditions (12-18 months post-construction)
- c) Observe traffic operations, bicycle and pedestrian user behavior to identify if any minor sign/striping/traffic signal refinements are needed (0-12 months post-construction)
- d) In coordination with SLO Fire, invite feedback on any observed impacts to emergency response and compare pre- and post-project EMS response times to destinations along the Higuera Street corridor (0-24 months post-construction)

Because most of the street design changes involve pavement markings and low-cost elements, such as flex posts, if needed, minor refinements can generally be implemented quickly and at a relatively low-cost following construction.

Staff will prepare a summary of the post-construction monitoring results 12 months after construction completion to inform the Council and community on project performance and proposed design refinements, if any.

### 50 Higuera Widening Next Steps

A scope change request has already been approved by Caltrans, which will allow the City to advance the revised 50 Higuera Widening project and deliver on the original HSIP grant obligations for this project. Following approval by the City Council, staff will request construction authorization from Caltrans and advertise the project for construction winter of 2026. Construction is expected to begin by spring 2026 and take approximately one month to complete. Construction of the Higuera Complete Streets Project is expected to begin summer of 2026 and project schedules and areas of work will be coordinated closely to avoid conflicts.

### Potential for Future Road Widening

While the traffic analysis prepared for the Higuera Complete Streets Project indicates that Higuera Street between Bridge and Margarita can operate within acceptable levels of service into the 20+ year planning horizon as a three-lane roadway, this assumes that the City’s long-term land use plan and transportation plans are advanced as anticipated per the adopted General Plan Land Use and Circulation Elements. If future actions approve a higher level of development intensity and/or significantly delay the Prado Road/US 101 Interchange, the segment of Higuera Street between Margarita and Bridge Street may need to be reconfigured to two lanes of traffic in each direction to avoid levels of traffic

congestion and delays that exceed the City's adopted thresholds. It would not be possible to provide two lanes of traffic in each direction and retain a center turn lane on Higuera between Elks Lane and Bridge Street without revisiting the larger road widening originally contemplated near 50 Higuera. If this City Council (or a future City Council) desires to revisit the full road widening as originally envisioned along the 50 Higuera frontage, several of the existing Heritage Trees would need to be removed, which would require additional environmental review, approval by Caltrans, and City Council approval, including a potential action to remove these trees from the list of designated city heritage trees.

### **Previous Council or Advisory Body Action**

#### Higuera Complete Streets Project

##### *Active Transportation Committee (ATC) Input*

The ATC first reviewed the Higuera Complete Streets project on February 6, 2022, to provide early input on the project scope and concept designs. The ATC then provided review and comment on 65%-level designs on May 16, 2024. The ATC's key recommendations to staff following review of 65% designs included:

1. Preference for the Higuera/Los Osos Valley Road intersection design alternative featuring addition of a dedicated southbound bicycle signal phase
2. Support for the Higuera road diet limits as proposed between Margarita and Bridge Streets
3. General preference for more permanent (concrete) vertical separation for protected bikeways, with interest in providing more gaps in bikeway barriers to allow cyclists to merge out of bike lanes to pass other riders and to merge across traffic lanes ahead of intersections
4. Desire for more significant bicycle safety improvements, if feasible, at the Higuera/Suburban intersection, which has a history of bicycle right-hook collisions, including a recent fatal collision
5. Preference for staff to continue further design refinement and coordination with Caltrans on a design concept for Madonna Road that includes protected facilities, ideally as a two-way shared-use path on the north side of the roadway

The final plans reflect most of the ATC's recommendations, except for (a) use of more permanent concrete barriers for bikeway separation throughout the project, (b) addition of separated bikeways on the Madonna overpass, and (c) incorporation of more robust improvements at the Higuera/Suburban intersection. Updates on these items are summarized as follows:

- a) As described above, concrete bikeway separation is included in the plans as a bid additive alternate for the segment of Higuera between Bridge and Margarita only, with flex posts used for bikeway separation elsewhere. This recommendation is based on cost constraints and concerns with using rigid barriers where street width constraints require use of minimum-allowed auto lane and bike lane widths on a

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higher-speed street, which increases chance of accidental bicycle and vehicle strikes.

- b) While staff pursued strategies to provide a physically separated bikeway along the Madonna Road Overpass, this was ultimately not feasible within the cost and schedule constraints of the current grant-funded project. Staff will continue to coordinate with Caltrans and explore feasibility of a future shared-use path on Madonna Road as resources allow.
- c) Staff evaluated various options to address vehicle vs. bicycle collision concerns at the Higuera/Suburban intersection. The ideal ultimate improvement would involve widening the intersection to provide width for a dedicated northbound right-turn lane and/or provide a protected bicycle crossing area; however, this requires off-site right-of-way acquisition and utility relocations that are not feasible at this time. An interim improvement is planned which will modify the Higuera/Suburban traffic signal to provide protected left turn phasing (left turns on green arrows only) and an electronic illuminated sign to provide further warning to right-turning vehicles to yield to bicyclists. A construction contract is already awarded for this minor traffic signal modification and work should be complete within the next two months.

Regular project updates have been provided to the ATC following the February 2025 Council Study Session and leading into this final hearing regarding the project.

### *City Council Input*

As noted previously, the City Council provided feedback and policy direction on the Complete Streets Project at a [Study Session](#) on February 4, 2025. More detailed information on the Study Session is provided previously in this report.

### 50 Higuera Widening Project

The City Council previously approved the original project on April 15, 2025, as a consent item. Staff is returning to seek authorization to proceed with the redesigned project.

## **Public Engagement**

### Higuera Complete Streets Project

Over the last three years, a series of community outreach activities have been provided for the Higuera Complete Streets project. The public engagement strategy consisted of a combination of both formal and less-formal outreach activities (including weekend, afternoons and weeknights) to maximize opportunities for feedback and to ensure that input reflects the diverse voices of the full San Luis Obispo community. For those who were not able to attend in-person events, staff also collected input via email and phone.

Public engagement activities included two neighborhood pop-ups (at Food 4 Less Market and Meadow Park), two open house workshops, a resident forum hosted by the Chumash Village community, a site meeting with a property owner affected by the proposed Walker

Street Closure, multiple presentations to the ATC, a City Council Study Session, and a [project webpage](#). For a comprehensive description of outreach activities and a summary of input, see the February 2025 Council Study Session Agenda Packet, [Attachment G](#). Staff has endeavored to incorporate this feedback into the project designs, where feasible, including a redesign of proposed traffic calming strategies within the Meadow Park neighborhood based on initial feedback from community members.

### 50 Higuera Widening Project

Opportunities for public input regarding plans to widen Higuera Street between Bridge Street and Elks Lane were provided as part of the 2014 General Plan Land Use and Circulation Element (LUCE) Update, as part of the Mid-Higuera Enhancement Plan, and with approval of CIP project funding appropriations through several recent City Financial Plans. This project was on the Council Agenda for the October 17, 2023, meeting to approve easement acquisitions, and again on the April 15, 2025, Council Agenda to approve the original project plans. This agenda item provides an additional opportunity for the public to provide input on the revised 50 Higuera Widening Project prior to implementation and will follow all required postings and notifications. The public may have an opportunity to comment on this matter at or before the meeting.

### **CONCURRENCE**

The Complete Streets and Road Widening Project details and this report have been reviewed and have concurrence from the City Public Works Department, City Arborist, Police and Fire Departments, City Attorney's Office, and City Administration. See previous section on "Emergency Response and Evacuation Considerations" for more details on collaboration with emergency services.

### **ENVIRONMENTAL REVIEW**

#### Higuera Complete Streets Project

Environmental analysis for the Complete Streets Project was conducted by Rincon Consultants, Inc. Based on evaluation of the project's design details, the analysis concluded that the project is eligible for a Class 1 Categorical Exemption (CE) under California Environmental Quality Act (CEQA) Section 15301(c) (Existing Facilities). A [Notice of Exemption \(NOE\)](#) was filed with the County Clerk on July 25, 2025.

As discussed in detail at the February 2025 Council Study Session, the Project will implement traffic signal modifications that will increase vehicle delay at the Higuera Street/Los Osos Valley Road intersection, which is already projected to operate at a level of service (LOS) below the City's adopted target threshold of LOS D or better in the future with or without the Complete Streets Project. Acceptable LOS will be retained in the short-term; however, this LOS deficiency is projected to occur in the near-term (5-10 year) horizon with or without the Project. Congestion at this intersection is expected regardless of the project, and the project does not create a new environmental impact under CEQA. Pursuant to CEQA policy, LOS or other measures of automobile delay are no longer used to define significant environmental impacts. To retain acceptable LOS in the future, either

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(a) the Higuera/Los Osos Valley Road intersection would need to be widened to add additional vehicle lanes, (b) the proposed Los Osos Valley Road Bypass Road would need to be constructed, or (c) the bicycle signal phase proposed with the Higuera Complete Street Project would need to be eliminated in the future. However, in approving the Project, the Council will be formally accepting this local policy deficiency for motor vehicle LOS at this intersection, which is acknowledged in the draft resolution provided as Attachment F.

### 50 Higuera Widening Project

Both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) environmental review have been completed for the 50 Higuera Widening project. The project was determined to be Categorical Exempt per CEQA Guidelines Section 15301 (Class 1 Exemption – Existing Facilities), and a Notice of Exemption has been filed with the County Clerk’s Office. Caltrans, assuming responsibility as lead agency for environmental review pursuant to NEPA for federally funded projects in California, determined that the project would not pose any significant impacts on the environment, approving a Categorical Exclusion (CE) in 2014.

The re-design of this project retains this Categorical Exempt determination, as previously documented. The modified project does not introduce any changes that would create potential for new or exacerbated impacts beyond what was evaluated under the previous project description. With a much smaller area of road construction, the modified project would have less overall effect on the built and/or natural environment than the previous project design.

### **FISCAL IMPACT**

Budgeted: Yes

Budget Year: 2025-26

Funding Identified: Yes

### **Fiscal Analysis:**

The tables below summarize the project costs and funding for the Higuera Complete Streets and 50 Higuera Widening Projects.

## Higuera Complete Streets Project

**Table 2 – Fiscal Impact Summary for Higuera Complete Streets (No. 2091057)**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund				
<i>Capital Outlay - LRM (Higuera Complete Street, No. 2001057)</i>	\$3,062,560	\$3,062,560	\$0	
<i>Capital Outlay - LRM (Prado Creek Bridge Project, No. 2091252)</i>	\$2,277,019	\$500,000	\$1,777,019	
<i>Capital Outlay (ATP Implementation, No. 2000608)</i>	\$88,650	\$88,650	\$0	
<i>Capital Outlay - LRM (ATP Implementation, No. 2000608)</i>	\$116,197	\$116,197	\$0	
<i>Capital Outlay - LRM (Vision Zero Implementation, No. 2000073)</i>	\$144,742	\$100,000	\$44,742	
<i>Capital Outlay - LRM (Traffic Signal Maintenance &amp; Replacements, No. 2001003- 02)</i>	\$100,000	\$50,000	\$50,000	
<i>*Capital Outlay - LRM (Infrastructure Investment Fund)</i>	\$14,658,406	\$2,000,000	\$12,658,406	
State			\$0	
<i>Caltrans ATP Grant (Higuera Complete Street, No. 2001057)</i>	\$6,951,000	\$6,951,000	\$0	
<i>SLOCOG Grant (Higuera Complete Street, No. 2001057)</i>	\$2,501,910	\$2,501,910	\$0	
Other			\$0	
<i>Water Fund (Water Valve Cover Adjustments, No. 2001005)</i>	\$314,748	\$120,000	\$194,748	
<i>Sewer Fund (Sewer Valve Cover Adjustments, No. 2000084)</i>	\$161,509	\$50,000	\$111,509	
<b>Total</b>	<b>\$30,413,041</b>	<b>\$15,540,317</b>	<b>\$14,872,724</b>	

\*Current Infrastructure Investment Fund (IIF) balance is \$14,658,406, with an estimated balance of \$11,158,406 on July 1, 2026 following a planned appropriation to Prado Creek Bridge project for FY2026-27. An additional \$1,212,229 of FY 2024-25 General Fund Unassigned Fund Balance is proposed to be allocated to the IIF as part of the FY 2024-25 Second Quarter Budget Report, which will be reviewed by the Council on February 17, 2026.

**Table 3 – Detailed Cost and Funding Summary for Higuera Complete Streets Project (No. 2091057)**

<b>Higuera Complete Street Project (No. 2001057) Costs &amp; Funding Summary</b>					
	<b>State Grant</b>	<b>General Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total Costs</b>
<b>PROJECT COSTS</b>					
Base Bid Construction Estimate	\$9,452,910	\$3,082,221	\$75,000	\$25,000	<b>\$12,635,131</b>
Construction Contingency		\$1,226,136	\$45,000	\$25,000	<b>\$1,296,136</b>
Construction Management		\$1,000,000			<b>\$1,000,000</b>
Materials Testing		\$150,000			<b>\$150,000</b>
Printing & Advertising		\$1,000			<b>\$1,000</b>
Public Relations		\$100,000			<b>\$100,000</b>
<b>Base Bid Total Estimate</b>	<b>\$9,452,910</b>	<b>\$5,559,357</b>	<b>\$120,000</b>	<b>\$50,000</b>	<b>\$15,182,267</b>
Add Alt A Construction Estimate		\$325,500			<b>\$325,500</b>
Add Alt A Contingency		\$32,550			<b>\$32,550</b>
<b>Additive Alternative A Total Estimate</b>	<b>\$0</b>	<b>\$358,050</b>	<b>\$0</b>	<b>\$0</b>	<b>\$358,050</b>
<b>Total Construction (Base + Add Alt A)</b>	<b>\$9,452,910</b>	<b>\$5,917,407</b>	<b>\$120,000</b>	<b>\$50,000</b>	<b>\$15,540,317</b>
<b>PROJECT FUNDING</b>					
Available Project Account Balance	\$9,452,910	\$3,062,560			<b>\$12,515,470</b>
New Funding Request		\$2,854,847	\$120,000	\$50,000	<b>\$3,024,847</b>
<b>TOTAL PROJECT BUDGET</b>	<b>\$9,452,910</b>	<b>\$5,917,407</b>	<b>\$120,000</b>	<b>\$50,000</b>	<b>\$15,540,317</b>

(1) See expanded Project Cost and Funding table in Attachments.

### *Construction Costs*

The Higuera Complete Streets Project plans and specifications are structured with a Base Bid and a Bid Additive Alternate A—the additive alternate adds concrete curbs for protected bike lane separation along a portion of Higuera Street. While staff hopes to have sufficient funding to award the full scope of improvements, this strategy provides flexibility to award only the Base Bid up to the Publicly Disclosed amount of \$12,960,700 in compliance with Public Contract Code Section 20103.8(c) if the lowest responsive bid exceeds available funding resources.

As shown in the table above, the total estimated Project cost is \$15,540,317, including the Base Bid and Bid Additive Alternate construction contract costs, construction contingencies and support costs (contract construction management support, materials

testing, etc.).

Currently, there is \$12,515,470 in available funding in the Higuera Complete Street Project account, including \$9,452,910 in outside grant funding consisting of \$6.95 million in Caltrans ATP Grant funding and \$2.5 million from SLOCOG Community Betterments Grant funding. The SLOCOG funds were awarded as the result of two cycles of competitive call-for-projects for Community Betterment grants—a program intended to support projects of local significance.

Staff is requesting authorization to transfer an additional \$1,024,847 in funds from other active CIP project accounts to the Higuera Complete Street Project (No. 2001057), as follows:

- a) \$500,000 from the Prado Creek Bridge Replacement (No. 2091252)
- b) \$204,847 from the Active Transportation Plan Implementation (No. 2000608)
- c) \$100,000 from the Vision Zero Implementation (No. 2000073)
- d) \$50,000 from the Traffic Signal Maintenance & Replacements (No. 2001003)
- e) \$120,000 from the Water Valve Cover Adjustments (No. 2001005)
- f) \$50,000 from the Sewer Valve Cover Adjustments (No. 2000084)

The funding transfer from the Prado Creek Bridge Project represents the cost for the new traffic signal at Higuera/Elks—this signal is required as a mitigation measure during removal/replacement of the bridge and was originally included as part of the bridge project scope and costs; however, the Higuera Complete Street Project is moving forward sooner and will install this signal first. The other transfers are from CIP project accounts that support the types of improvements included in the Higuera Complete Street Project, such as sewer/water valve cover adjustments during paving/sidewalk reconstruction, traffic safety improvements on the high-injury network as identified in the Draft Vision Zero Action Plan, and traffic signal modernizations (i.e. ADA-compliant pedestrian signals, high-visibility signal backplates, traffic signal phasing adjustments).

In addition, staff is requesting authorization to transfer an additional \$2,000,000 in funds from the Infrastructure Investment Fund to fully fund construction. There is a current balance of \$14,658,406 in the Infrastructure Investment Fund, and a projected balance of \$11,158,406 on July 1, 2027, following a planned appropriation of \$3,500,000 to the Prado Creek Bridge project in FY 2026-27. Staff is recommending allocation of \$1,212,229 of FY 2024-25 General Fund Unassigned Fund Balance as part of the FY 2024-25 Second Quarter Budget Report that will be presented to the City Council on February 17, 2026, before this item is heard (see Item 6a of this Agenda Packet). The table below shows the current Infrastructure Investment Fund balance, funding transactions proposed in the February 17, 2026 Council items on the Higuera Complete Streets Project and FY2024-25 General Fund Unassigned Fund Balance and planned capital project earmarks from this fund in the coming years.

**Table 4 –Infrastructure Investment Fund (IIF) Balance and Planned Expenditures**

<b>FY 2025-2026 IIF Fund Summary</b>		
<b>Payment</b>	<b>Amount</b>	<b>Ending Balance</b>
<i>Starting Fund Balance FY 25-26</i>	\$14,658,406.00	\$14,658,406.00
Higuera Complete Streets Project FY25-26 (March 17, 2026)	\$(2,000,000.00)	\$12,658,406.00
FY 24-25 Unassigned Fund Balance FY25-26 (March 17th, 2026)	\$1,212,229.00	\$13,870,635.00
FY 2026-27 Capital Reserve (July 1, 2026)	\$787,771.00	\$14,658,406.00
Prado Bridge Widening (Design) FY 26-27 (July 1, 2026)	\$(3,500,000.00)	\$11,158,406.00
Prado Bridge Widening FY 27-28 (July 1, 2027)	\$(11,158,406.00)	\$ -

**Maintenance Costs**

The addition of protected bike lanes with the Complete Street Project is expected to increase ongoing maintenance costs for contract sweeping and repair/replacement of bikeway flex posts. Based on typical costs for flex posts repairs and contract street sweeping within protected bike lanes at other locations within the city, this project is expected to incur an additional annual maintenance cost of approximately \$50,000-\$70,000. Staff is requesting authorization to use contingency funds from the Complete Street Project CIP account that may remain unspent following construction (up to \$200,000) to support increased maintenance needs. Ongoing funding for additional maintenance obligations will be requested as part of the 2027-29 Financial Plan. If additional maintenance funds cannot be secured using unspent contingency funds or with future budget requests, regular bikeway sweeping will be scheduled as frequently as resources allow, with spot sweeping performed when specific hazards are reported.

**Funding & Cost Breakdown**

The following tables break down the Complete Street Project funding by source and construction costs by project feature:

**Table 5 – Higuera Complete Street Cost Breakdown by Fund Source**

<b>Project Funding by Source</b>	<b>%</b>
<b>Local</b>	<b>39%</b>
<i>General Fund (Non-LRM)</i>	2%
<i>General Fund (LRM)</i>	36%
<i>Water &amp; Sewer Funds</i>	1%
<b>Outside Grant</b>	<b>61%</b>
<i>State ATP Grant</i>	45%
<i>SLOCOG Grant</i>	16%
<b>Total</b>	<b>100%</b>

**Table 6 – Higuera Complete Street Cost Breakdown by Feature**

<b>Construction Cost by Project Feature</b>	<b>% of Total</b>
Paving	29%
Pedestrian Curb Ramps, Sidewalks, Crosswalk Beacons	27%
Protected Bike Lane – Flex Posts	3%
Protected Bike Lane – Concrete Curbs (Bid Add Alt)	2%
Traffic Signal Improvements	13%
Signs, Striping & Traffic Calming	16%
Other (Temporary Traffic Control, Mobilization, etc.)	10%
<b>Total Construction Costs</b>	<b>100%</b>

As shown above, the majority (61%) of project costs are funded by outside grant funding, which was secured based on the project’s benefits to walking, bicycling, and traffic safety. Two thirds (66%) of construction costs are related to essential road pavement maintenance, pedestrian accessibility upgrades (ADA curb ramps & sidewalk repairs) and misc. construction support elements (construction traffic control, mobilization, etc.).

If the City were to implement this project with only the essential maintenance/accessibility improvements and no other active transportation or traffic safety “betterments”, the project would not be financially feasible with local funding alone. The outside grant funding secured for this project allows the City to make significant progress supporting its active transportation and safety goals, while also accomplishing essential maintenance needs at the same time.

#### 50 Higuera Widening Project

**Table 7 – Fiscal Impact Summary for 50 Higuera Widening Project (No. 2091294)**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Project Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund				
<i>General Fund (Capital Outlay)</i>	<i>\$2,760</i>	<i>\$2,760</i>	<i>\$0</i>	<i>\$0</i>
<i>Local Revenue Measure (LRM)</i>	<i>\$22,600</i>	<i>\$0</i>	<i>\$22,600</i>	<i>\$0</i>
Other:				
<i>State Grant (SLOCOG USHA Grant)</i>	<i>\$663,536</i>	<i>\$335,431</i>	<i>\$328,105</i>	<i>\$0</i>
<i>Federal Grant (HSIP)</i>	<i>\$67,500</i>	<i>\$42,450</i>	<i>\$25,050</i>	<i>\$0</i>
<i>Citywide TIF</i>	<i>\$859</i>	<i>\$859</i>	<i>\$0</i>	<i>\$0</i>
<b>Total</b>	<b>\$757,255</b>	<b>\$381,500</b>	<b>\$375,755</b>	<b>\$0</b>

**Table 8 – Detailed Cost and Funding Summary for 50 Higuera Widening Project  
(No. 2091294)**

	50 Higuera Widening Account (2091294)					Totals
	General Fund	General Fund (LRM)	State Grant (SLOCOG USHA)	Federal Grant (HSIP)	Citywide Traffic Impact Fee (TIF)	
<b>Project Costs</b>						
Construction Estimate	\$2,760		\$268,931	\$42,450	\$859	<b>\$315,000</b>
Contingencies (20%)			\$63,000			<b>\$63,000</b>
<i>Construction Costs</i>	<i>\$2,760</i>	<i>\$0</i>	<i>\$331,931</i>	<i>\$42,450</i>	<i>\$859</i>	<b><i>\$378,000</i></b>
Materials Testing			\$3,000			<b>\$3,000</b>
Printing & Advertising			\$500			<b>\$500</b>
<b>Total Project Costs</b>	<b>\$2,760</b>	<b>\$0</b>	<b>\$335,431</b>	<b>\$42,450</b>	<b>\$859</b>	<b>\$381,500</b>
<b>Project Funding</b>						
Current Balance	\$2,760	\$22,600	\$663,536	\$67,500	\$859	\$757,256
<b>Remaining Balance</b>	<b>\$0</b>	<b>\$22,600</b>	<b>\$328,105</b>	<b>\$25,050</b>	<b>\$0</b>	<b>\$375,756</b>

The Road Widening Project construction cost is estimated at \$381,500, including contingencies and support costs (materials testing, printing and advertising).

There is a current balance of \$757,256 in the Project Account, including General Fund, State Urban Highway Account (USHA) grant funds administered by the San Luis Obispo Regional Council of Governments (SLOCOG), remaining HSIP grant funds administered by Caltrans, and Citywide Traffic Impact Fee (TIF) funds. This provides sufficient resources to fund construction.

When the original 50 Higuera Widening Project was approved, the City Council authorized the transfer of \$22,600 in General Fund (LRM) funds to the Project account from the New Streetlights CIP Account (No. 2001016), as the original scope included installation of a new streetlight. With the revised project, this streetlight will no longer be installed and these funds are no longer needed for this purpose, so staff is recommending that these funds be transferred back to the New Streetlights CIP Account.

As shown in the funding tables above, there is \$67,500 in HSIP grant funding remaining in the Project Account; however, only \$42,450 of these funds are eligible for use in the construction phase of the project. The remaining portion of the HSIP funding is specifically tied to previous right-of-way and utility coordination phases and cannot be used towards construction. These remaining funds will ultimately go unspent—no repayment of this balance is required, these funds will simply be zeroed out when the project account is closed following construction completion.

The current SLOCOG USHA funding allocated to this project is expected to exceed the amount needed to fund construction by up to \$328,000. Staff is requesting Council

authorization to transfer any remaining unspent USHA funds to the Higuera Complete Streets Project Account (No. 2001057), if needed to supplement this related high-priority CIP project. SLOCOG has already affirmed that the Higuera Complete Street Project is an eligible project for use of the USHA funding; however, a minor amendment to the existing cooperative agreement between the City and SLOCOG would be required prior to expending and seeking reimbursement for this additional funding.

## ALTERNATIVES

### Higuera Complete Streets Project

1. ***Council could decide not to approve the Project plans and specifications or request to advertise for construction bids at this time.*** The delay caused by this alternative could lead to forfeiture of more than \$9 million in outside grant funding. Per the conditions of the Caltrans ATP Grant, the construction contract for this project must be awarded by the end of June 2026. As currently scoped, the Project would be infeasible to deliver without this grant funding and would need to be delayed significantly and redesigned to align project scope with reduced funding resources.
2. ***Council could direct staff to return prior to awarding the construction contract if construction bids exceed the amount needed to fund the base bid and bid additive alternative (concrete bike lane protection).*** If desired, staff could return to the City Council to award the construction contract following receipt of construction bids (if bids exceed current funding) and present recommendations to appropriate additional funds to the project account to fully fund and award the base project and bid additive alternate. In order to increase project funding, staff would likely need to identify other planned or in-progress capital projects that would need to be de-funded/deferred.

### 50 Higuera Widening Project

1. ***Council could decide not to approve the advertisement of the revised 50 Higuera Street Widening Project, directing staff to take the required steps to advance the larger road widening project, as originally envisioned.*** To advance the larger 50 Higuera Widening Project as originally envisioned, the project scope would need to assume that removal of several Heritage Trees would be required. This would conflict with City Policy regarding preservation of Heritage Trees and could very likely present a significant environmental impact under CEQA/NEPA. Updated environmental review would be required, which may potentially result in disclosure of significant and unavoidable impacts that cannot be feasibly avoided/mitigated. Caltrans would also need to approve removal of these trees. If removal of these trees was ultimately approved, these actions could delay the project for at least 18 to 24 months. These delays would incur additional cost escalation, and could lead to failure to deliver the HSIP-funded project on schedule, which could require repayment of approximately \$400,000 in HSIP grant funding already spent to date.

## ATTACHMENTS

## Item 6b

- A - Draft Resolution Authorizing Appropriation of Funds from the Infrastructure Investment Fund to the Higuera Complete Streets Project
- B - Summary of Higuera Complete Street Project Plans
- C - Higuera Complete Street Project Emergency Evacuation Study
- D - Higuera Complete Street Project Detailed Cost and Funding Table
- E - 50 Higuera Widening Project - Typical Street Cross Section Exhibit
- F – Draft Resolution Accepting a Future Automobile Level of Service Deficiency