

# City of Hesperia STAFF REPORT



**DATE:** June 2, 2026

**TO:** Mayor and Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Cassandra Sanchez, Director of Public Works/City Engineer  
Tina Souza, Senior Project Manager

**SUBJECT:** Amend the Fiscal Year 2025-26 Capital Improvement Program Budget for the Rancho Road Corridor Widening Project Phase III

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## RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2026-21 amending the Fiscal Year (FY) 2025-26 Capital Improvement Program (CIP) Budget by appropriating \$6,663,865 in Fund 306 DIF 2018-Streets, \$680,780 in Fund 504 SB1 LPP Grant, and \$1,079,594 in Fund 504 SB1 Formula Funds for the Rancho Road Corridor Widening Project Phase III.

## BACKGROUND

Rancho Road Improvements – Seventh Avenue to Mariposa Road, C.O. No. 7094, Rancho Road Aqueduct Crossing, C.O. No. 7139, Traffic Signal at Rancho Road/Maple, Cottonwood, and Seventh, C.O. Nos. 7131, 7146, and 7154, respectively, are collectively referred to as the Rancho Road Corridor Widening Project Phase III (Project).

Construction of the traffic signals, waterline relocation, and roadway plan phases are complete except for areas adjacent to the aqueduct bridge; the bridge is currently under construction and will continue through December 2026.

## ISSUES/ANALYSIS

At the time of the current FY 2025-26 CIP budget preparations, there was no clear path moving forward for the outcome of the bridge portion of the Project. Further, calculations were based on historical Project progress. Currently, the contractor is making significant progress, far exceeding anticipated milestones.

There are major milestones for construction that will be reached prior to the new fiscal year. Consequently, the current budget for the Project is not enough to sustain Project progress through the end of the FY 2025-26. A budget amendment is needed for continued services and construction through June 30, 2026. Additionally, a budget amendment is needed to reconcile grant expenditures and meet grant timeliness.

## CITY GOAL SUPPORTED BY THIS ITEM

**Capital Improvement** – Continually evaluate capital improvement priorities.

**FISCAL IMPACT**

Funding for the Project will require amending the Fiscal Year 2025-26 CIP Budget by appropriating \$256,563 to Fund 504 SB1 LPP Grant and \$187,040 to Fund 504 SB1 LPP Formula for the Ranchoero Road Improvements – Seventh Avenue to Mariposa Road, Construction Order (C.O.) No. 7094 project; and \$6,663,865 to Fund 306 DIF 2018-Streets, \$424,217 to Fund 504 SB 1 LPP Grant, and \$892,554 to Fund 504 SB1 Formula Grant the Ranchoero Road Aqueduct Crossing, C.O. No. 7139 project as follows:

| <u>Description</u>                       | <u>Account No.</u>   | <u>Amount</u>       |
|--|----------------------|---------------------|
| SB1 LPP Grant                            | 504-29-700-7094-8029 | \$ 256,563          |
| SB1 LPP Formula                          | 504-29-700-7094-8030 | \$ 187,040          |
| <b>Budget Amendment for C.O. 7094</b>    |                      | <b>\$ 443,603</b>   |
| <br>                                     |                      |                     |
| DIF 2018-Streets                         | 306-29-700-7139-7500 | \$ 6,663,865        |
| SB1 LPP Grant                            | 504-29-700-7139-8029 | \$ 424,217          |
| SB1 LPP Formula                          | 504-29-700-7139-8030 | \$ 892,554          |
| <b>Budget Amendment for C.O. 7139</b>    |                      | <b>\$ 7,980,636</b> |
| <br>                                     |                      |                     |
| <b>Total Fund 306 DIF 2018-Streets</b>   |                      | <b>\$6,663,865</b>  |
| <b>Total Fund 504 SB1 LPP Grant</b>      |                      | <b>\$ 680,780</b>   |
| <b>Total Fund 504 SB1 Formula</b>        |                      | <b>\$1,079,594</b>  |
| <b>Total FY 2025-26 Budget Amendment</b> |                      | <b>\$8,424,239</b>  |

Funding for the next fiscal year will be presented in the FY 2026-27 CIP Budget.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Resolution 2026-21