State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5s.(9), Action Item

Prepared By: David Moore
District 02 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 3597/EA 0H920 – SHASTA AND TEHAMA COUNTIES – INTERSTATE 5
RESOLUTION FP-26-07
RESOLUTION TCEP-A-2627-03S

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for $85,788,000 for Construction of the State-Administered multi-funded State Transportation Improvement Program (STIP) and Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) Fix 5 Cascade Gateway / I-5 Improvements Shasta project on Interstate 5 (I-5), in Shasta and Tehama counties, to advertise the construction contract?

RECOMMENDATION:

The Department recommends that the Commission approve the requested allocation for this State-Administered multi-funded STIP and SB 1 TCEP project.

PROJECT DESCRIPTION:

This project is located on I-5 in and near the City of Redding, from south of the Churn Creek Overcrossing Bridge (No. 06-0122) to north of the Mountain Gate Overcrossing Bridge (No. 06-0154), in Shasta County; and near Cottonwood, at the northbound Cottonwood Commercial Vehicle Enforcement Facility (Facility), in Tehama County. The project will add a through lane on the median side and convert it to a managed lane for part-time "truck-only" operations in each direction, construct auxiliary lanes, widen bridges, and install an advanced lane management system in the northbound direction with overhead sign structures; and install an electric vehicle charging station at the Facility. The project will be combined for advertising with a State Highway Operation and Protection Program (SHOPP) project (PPNO 3790/EA 1J380); which will replace overhead signs, concrete and cable barrier, guardrail, and transportation management system elements; improve vertical clearance; and upgrade bridge rails.

FUNDING AND PROGRAMMING STATUS:

In May 2022, this project was programmed in the STIP Regional Improvement Program (RIP) for $4,581,000 in Construction Capital for allocation in Fiscal Year 2024-25. In March 2024, the project was amended to increase the programmed amount for Construction Capital to $5,081,000 from the STIP RIP. In addition, the project was also programmed in the SB 1 TCEP for $62,919,000 in Construction Capital, $16,937,000 from SB 1 TCEP Regional and $45,982,000 from SB 1 TCEP State; and $7,480,000 in Construction Support from the SB 1 TCEP State for allocation in 2024-25. In June 2025, the project received a 20-month allocation time extension for the STIP RIP and SB 1 TCEP funds of the Construction phase. In June 2026, the project was amended to revise the scope.

In June 2026, the Engineer's Estimate reflected the need of $78,308,000 in Construction Capital, $8,081,000 from the STIP RIP (59.0 percent over the programmed amount), $53,290,000 from SB 1 TCEP State (15.9 percent over the programmed amount), and $16,937,000 from SB 1 TCEP Regional (zero percent over the programmed amount); and $7,480,000 in Construction Support, from the SB 1 TCEP State (zero percent over the programmed amount). The project will also be receiving a federal grant contribution of $3,000,000 from the High Priority/Demonstration Project program. The project is receiving local contributions from the Shasta Regional Transportation Agency (SRTA), and they fully support the improvements. The Department is also requesting to extend the period of construction by an additional 6 months (for a total of 42 months). A concurrent amendment to update the STIP RIP programmed funding, addendum to the previously approved future consideration of funding, and allocation for the SHOPP project (PPNO 3790/EA 1J380) is on this month's Commission agenda. The Department plans to advertise the combined project in September 2026 and begin construction in January 2027. Construction is planned for 3 seasons with a duration of 490 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to changes to the design of the roadway structural section and drainage, an adjustment to the unit price for the advance variable message signs, and modifications to the "truck-only" messaging and delineation.

The original scope of this project was to construct a third general purpose lane in each direction on I-5. The work also included bridge widening, drainage upgrades, vertical clearance improvements, and sign upgrades. During the design phase, some of these elements were moved from this project to the SHOPP project (PPNO 3790/EA 1J380) which is also within the same segment of I-5. The scope of this project changed with the TCEP Cycle 3 application. The revised scope changed the number one lane from a general-purpose lane to a managed “truck-only” lane, construct an emergency adaptive lane management Intelligent Transportation System (ITS) and auxiliary lanes, and install a zero-emission heavy vehicle charging station at the Facility.

In June 2023, once the TCEP funding was approved, the Department’s project development team focused the efforts of updating the traffic modeling and air and noise studies with the new “truck-only” lane. The timeline was condensed to complete the studies, Draft Supplemental Project Approval and Environmental Document (PA&ED), and Final PA&ED within six months after the TCEP funds approval. Some of the preliminary design elements, such as revalidating the structural section, were delayed until after the Final Supplemental PA&ED was completed. There were three significant factors that led to the increase in capital costs. In March 2024, the team discovered that the proposed structural section of the roadway for the proposed new “truck-only” lane was not sufficient for truck traffic. Therefore, the structural section was revised to increase the thickness of the hot mix asphalt (HMA) for the number one lane. In addition, the quantity for Rubberized HMA was increased for conforming the mainline roadway with on and off-ramps. Furthermore, the unit price for the advanced variable message signs, which is a part of the lane management ITS, increased more than the anticipated escalation.

Modifications were also made to the “truck-only” messaging and delineation in coordination with the Federal Highway Administration, California Highway Patrol, and California Traffic Control Devices Committee. Twelve overhead signs and 14 barrier mounted signs were added to the original sign package. In addition, the striping plan was revisited to replace the dashed lane line stripe to a double solid stripe. The double solid stripe was also extended to include the existing lane line stripe for the full length of the “truck-only” lane to prevent lane changes within this segment.

With the update to the sign package, revisions to the proposed drainage system rehabilitation work were required. The revisions mainly increased the lengths of certain culverts and number of drop inlets.

In addition, revisions were also made to the number of detention basins needed to meet water storage and stormwater requirements for the entire project. Originally, the detention basins only accounted for water discharging directly into the main creek. However, it was determined that water from tributary creeks will also require detention basins.

Therefore, these changes resulted in an increase to the construction allocation in the amount of $10,308,000 in Construction Capital, $3,000,000 from the STIP RIP and $7,308,000 from the SB 1 TCEP State. The Department has coordinated regularly with SRTA, who is the metropolitan planning organization for the Shasta County region and is a co-sponsor on this project, regarding project activities. SRTA supports this project including the requested STIP changes.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract which addresses operational improvements that are needed along this segment of I-5, and the installation of an electric vehicle charging station at the Facility. To address all of the improvements, the project will have to be reprogrammed in a future STIP and SB 1 TCEP cycle, which will result in delays and could result in higher costs due to escalation.

FINANCIAL RESOLUTION:

Resolved, that $78,308,000 be allocated from the Budget Acts of 2025 and 2026, Budget Act Items 2660-301-0042, 2660-301-0890, 2660-301-3291, and 2660-302-0890 for Construction Capital, and $7,480,000 for Construction Support, to provide funds to advertise this State-Administered multi-funded STIP and SB 1 TCEP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount Recipient RTPA/CTC County Dist-Co-Rte Postmile	Project Title Location Project Description Project Support Expenditures	PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type
2.5s.(9)	**State-Administered Multi-Funded STIP and TCEP project with costs that exceed the Programmed Amount by More than 20 Percent**			**Resolution FP-26-07** **Resolution TCEP-A-2627-03S**
1 $85,788,000 Department of Transportation SRTA 02--5 ~~SHA:R10.3/R26.0~~ ~~TEH: 40.5~~ **SHA: R12.0/R24.7** **TEH: 40.7**	**Fix 5 Cascade Gateway / I-5 Improvements Shasta.** ~~In Shasta and Tehama counties at various locations from 0.5 mile north of Knighton Road Overcrossing to Fawndale Road Overcrossing and at northbound Cottonwood Scales. Description: Add a third through lane in the median as a truck only lane in each direction. Construct four auxiliary lanes. Widen seven bridges. Install an Advanced Lane Management System in the northbound direction and will have three overhead sign structures. Install two 350 kw Electric Vehicle Chargers for trucks and other vehicles.~~ **In Shasta and Tehama counties in and near Redding from 0.2 mile south of Churn Creek Overcrossing to 0.7 mile north of Mountain Gate overcrossing and at northbound Cottonwood Commercial Vehicle Enforcement Facility. Add a third 'through' lane in the median as a managed lane for part-time 'truck only' operation in each direction. Construct four auxiliary lanes. Widen seven bridges. Install an Advanced Lane Management System in the northbound direction. Install three overhead sign structures. Install one Electric Vehicle Charger with two ports for trucks.**	02-3597 RIP/24-25 CONST ~~$5,081,000~~ **$8,081,000** TCEP-S/24-25 CON ENG $7,480,000 CONST ~~$45,982,000~~ **$53,290,000** TCEP-R/24-25 CONST $16,937,000 0215000083 3, 4 0H920	2026-27 301-0042 SHA 301-0890 FTF 20.20.075.600 001-3291 TCEA 001-0890 FTF 20.10.723.100 2025-26 301-3291 TCEA 302-0890 FTF 20.20.723.100 2025-26 301-3291 TCEA 302-0890 FTF 20.20.723.200	 $682,000 $7,399,000 $8,081,000 $631,000 $6,849,000 $7,480,000 $4,493,000 $48,797,000 $53,290,000 $1,428,000 $15,509,000 $16,937,000

Outputs	Unit	Total
Modified/Reconstructed bridge(s)/tunnel(s)	SQFT	119,522
Communications (fiber optics)	Miles	~~1.2~~ **0.78**
Roadway lane mile(s) - new	Miles	~~7.6~~ **5.3**
Mainline shoulder(s) constructed	Miles	~~15.2~~ **6.4**
Close circuit television camera(s)	Each	1
Auxiliary lane(s)	Miles	~~5~~ **2.9**
Slow vehicle lane(s)	Miles	~~23.7~~ **14.2**

Final Project Development:(RIP)

Support Estimate:	$3,955,000
Programmed Amount:	$3,327,000
Adjustment: (<20%)	$0

Final Right of Way:(RIP)

Support Estimate:	$681
Programmed Amount:	$681
Adjustment: (<20%)	$0

CEQA - MND, 12/06/2023
NEPA - CE, 12/26/2023

Future consideration of funding approved under Resolution E-24-05; January 2024.

Concurrent Addendum to the previously approved future consideration of funding under Resolution E-26-62A; August 2026

Right of Way Certification: 01/03/2025

Contribution from other sources: $3,000,000.

As part of this allocation request, the Department is requesting to extend the period of construction an additional 6 months beyond the 36-month Timely Use of Funds deadline.

EA 0H920/PPNO 02-3597 combined with SHOPP EA 1J380/PPNO 02-3790 for construction under EA 0H92U/Project ID 0225000042.

Concurrent SHOPP allocation under Resolution FP-26-08 and concurrent STIP Amendment 26S-10; August 2026.

The additional funding need of $3,000,000 RIP/24-25 CON phases will come from Shasta County's future regional shares.

Time Extension for FY 24-25 CONST expires 02/28/2027.

TCEP Project Scope Amendment approved under Resolution TCEP-P-2526-25; June 2026.