

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.4, Information Item

Prepared By: Matthew Brady - Director

District 1

Subject: **UPDATE ON THE LAST CHANCE GRADE PROJECT LOCATED ON
UNITED STATES HIGHWAY 101 IN DEL NORTE COUNTY**

SUMMARY:

A presentation will be given to the California Transportation Commission by Mr. Jaime Matteoli, District 1 Corridor Manager, from the California Department of Transportation (Department) on the Last Chance Grade project located on United States Highway (US) 101 in Del Norte County. This presentation will be focused on general project updates and next steps (including initiation of fall 2026 geotechnical investigations, design-phase procurement activities, and preparation for permitting and right-of-way actions needed to keep the tunnel design schedule on track).

BACKGROUND:

The Last Chance Grade project is a collaborative effort to find a long-term solution to instability and roadway failure on a 3-mile segment of US 101 in Del Norte County, extending between Wilson Creek to 9 miles south of Crescent City.

Perched on the west side of a steep ridge overlooking the ocean, this segment of US 101 contains four major landslide complexes that have been moving steadily westward for decades. The costs of repairing landslide damage have accelerated in the last decade. A closure of the highway would result in a minimum 6-hour detour around this lifeline facility. The landslide area is surrounded by Redwood National and State Parks, a United Nations Educational, Scientific and Cultural Organization World Heritage site known for its old-growth redwood forest. Five tribal governments have ancestral claims to the area. The Department collaborates with four formal working groups, including Congressman Huffman's Stakeholder Group. Stakeholders widely support the purpose and need of the project and the selected preferred alternative (Alternative F, Tunnel Bypass), which would provide a more reliable connection through the region, protect economic, environmental, and cultural resources, and reduce maintenance costs.

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Major recent milestones include completion of fall 2025 geotechnical exploration (January 2026), execution of the multi-tribal Section 106 Memorandum of Agreement (May 2026), continued stakeholder coordination, and **final approval of the environmental document on July 15, 2026**, confirming Alternative F (the 6,000-foot tunnel bypass) as the preferred alternative.

Upcoming actions include initiating fall 2026 geotechnical investigations, advancing final design under the Construction Manager/General Contractor model, securing required permits, completing right-of-way activities, and maintaining schedule alignment through early risk-reduction and agency coordination.

To view more information about the Last Chance Grade project, please visit the project web site located at <https://lastchancegrade.com/>