The Oasis Road Interchange Project

Crossroads of I-5 and Oasis Road







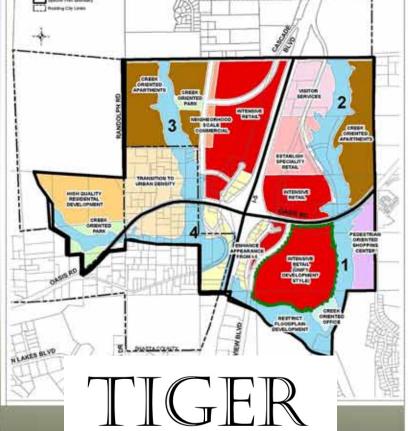






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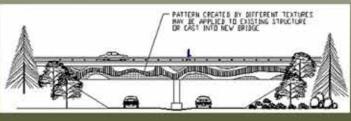


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1.0 Project Description

The City of Redding is requesting TIGER funds to construct transportation improvements which are the key to the City's vision and success for a new sustainable and livable community in North Redding (Shasta County) in Northern California. The project consists of removing a small 2-lane overcrossing at the interchange of Oasis Road with Interstate 5 and replacing it with a new multiple lane structure that will include bike, transit and pedestrian facilities. The new interchange and surrounding road connections will provide traffic capacity to allow development of multiple commercial, residential and mixed-use projects on both sides of the interchange. In addition to allowing these projects to proceed, construction of the interchange road improvements will:

- Result in direct and indirect jobs in one of the most economically distressed areas of Northern California. The project will create 1,000 to 1,200 jobs per year during construction and up to 7,500 new permanent jobs in the long-term.
- Facilitate commerce and movement of goods on Interstate 5 (I-5). I-5 is the West Coast's only North-South Interstate Facility, an Interregional Route, Statewide Major Corridor, and International Trade Route. The project will construct a direct and secondary connection to the Shasta Gateway Industrial Park.
- Attract and leverage private capital investments which will benefit the region and California. An investment of \$15.5 million in TIGER grant funds will leverage public and private investments that will exceed \$170 million at area buildout, with the potential to add up to \$150 million to the Gross Regional Product of the region during the first three years of the project and up to \$2.1 billion through year 2033.

In 2007, the City of Redding adopted the Oasis Road Specific Plan (ORSP) which establishes the City's vision for a new sustainable and livable community in North Redding. This ORSP guides the development of more than 3 million square feet of new retail and commercial construction and more than 5,000 residential units, the majority of which will be higher-density housing available to low- and moderate-income residents.

The project is also listed in the Regional Transportation Plan (RTP) as a critical link and the next major improvement needed for our transportation network. As the overpass is left unimproved the retail and residential growth is quickly overwhelming the existing two lane configuration and is starting to effect the mainline of Interstate 5, the reconstruction of the interchange is required before the City can permit additional growth. Interstate 5 through this area is a critical north south connection for the whole west coast, and traffic delays through this area effects goods movement from the western coastal ports and as a result.

The proposed TIGER improvements will replace the existing I-5/Oasis Road tight diamond interchange with a multiple lane overpass that would provide for bike lanes, pedestrian and transit facilities. The RTP includes a network of multi-use bike and pedestrian paths through open space that will link the commercial and residential to the road network and transit. Additionally, beyond the scope of the grant regionally significant arterials leading to the interchange (Oasis Road, Twin View Boulevard, Cascade Boulevard, and Hawley Road) would be reconstructed and widened to accommodate all modes of travel. As part of the overall plan the new bridge will be the connection for a bike and trail network that will span both sides of the Interstate and will link the planned high density residential and mixed-use projects together into the transit system.

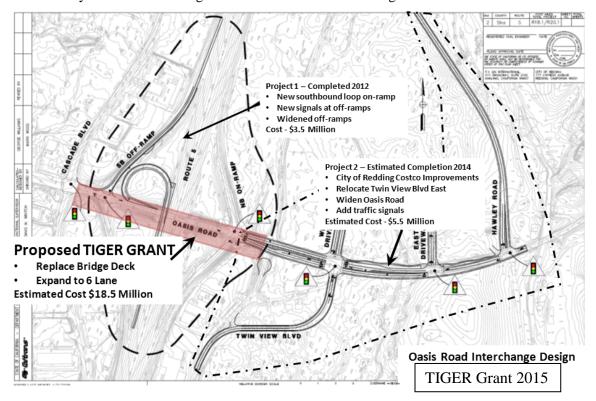
The existing interchange is at capacity, meaning that efforts to provide urgently needed housing, employment, and movement of people and goods to relieve the current economic crisis affecting the region are at jeopardy.

Only a limited amount of development in the Oasis Area is possible without major investment in new public facilities to accommodate the growth. The traffic improvements include rebuilding the Oasis Road interchange and improving and realigning surrounding roads to make room for the new interchange and to support increased traffic overall. The City of Redding will construct water improvements separate from the road improvements that include a bore under I-5 and the installation of new water mains.

Because of the City's strategic location and demographics, there has been significant private sector interest in partnering with the City to implement elements of the ORSP. Private development firms have been working with Redding to develop the Oasis Towne Center Project, a large-scale regional commercial center anchored by Costco which will provide needed goods and services in an underserved area of the community. The center will be at the heart of an extensively planned mixed-commercial and high-density housing center focused around the Oasis and Interstate 5 interchange. In addition, the Oasis project will serve as a key gateway to the recreation and economic development opportunities of Northern California.

The City has recently completed a 3 million project as the first segment of improvements at the interchange that included a southbound loop on ramp onto I-5. This segment also added signals at the off-ramps and added a lane on the northbound off-ramp. These capacity improvements allowed a small portion of the proposed develop to proceed. This has spurred significant interest in the area and Costco Wholesale is anchoring a large retail development that is only permitted to build the Costco store with the current state of improvements. The City and Costco have agreed to build the next segment of capacity improvements prior to opening of Costco in 2015. These improvements will cost an estimated \$5.5 million and include moving Twin View Boulevard to the east to allow for the interchange to be widened in the future when funds become available. Until the overpass in widened, retail and residential projects in addition to Costco, remain on hold.

Redding enjoys a strategic location on U.S. Interstate 5, the principal transportation artery running north-south from Mexico to Canada. The city is also bisected by State Route 299 and State Route 44, key east-west transportation arteries in Northern California. Redding is located in the north end of the Sacramento Valley, approximately 540 miles north of Los Angeles, 150 miles north of Sacramento, and 433 miles south of Portland, Oregon. Redding is the largest city north of Sacramento, California, with a population of more than 91,000 residents, and is strategically located on Interstate 5, equidistant between Seattle and Los Angeles (see Attachment 1). It is a center of trade and commerce, directly providing services to a regional population of more than 250,000 residents, and is the regional hub for retail, education, professional services, and government. However, due to the two-lane low-volume roadways, the transportation infrastructure is severely inadequate to accommodate sorely needed economic growth in the Shasta Cascade Region of Northern California.



2.0 Project Parties

The project sponsor is the City of Redding. This project is a strong public-private partnership with parties listed below:

- **City of Redding** is a full-service city, with more than 1,200 employees and an annual budget of approximately \$287 million dollars in fiscal year 2008-2009. The City is a general-law city, incorporated under the laws of the State of California in 1887.
- Costco Wholesale. Costco is preparing to build a new store located at the interchange. The City of Redding has entered into a preliminary agreement to reconstruct surrounding arterials and relocate roads away from the interchange to allow for the future expansion of the overpass. The City is using the Costco traffic impact fees to leverage the current \$5.5 million dollar segment of road development. The improvements will allow Costco to build, but the commercial and residential development in the surrounding area remains stifled until the overpass is reconstructed.
- Shasta County. The grant project is located within the Buckeye Redevelopment Project Area. The County of Shasta and City of Redding formed this cooperative redevelopment project area. One of the primary goals in forming the project area was to provide a unified effort to facilitate infrastructure improvements and encourage new development in the Oasis Area along the I-5 corridor. Both agencies are partnering on fostering new employment opportunities and increased affordable housing.
- Shasta Regional Transportation Agency (SRTA) and Metropolitan Planning Organization (MPO) form a transportation policy-making organization made up of representatives from local government and transportation authorities in Shasta County. The MPO governance consists of Board members representing the cities of Anderson, Redding, and Shasta Lake; the County of Shasta; and the Redding Area Bus Authority.
- Caltrans is the owner-operator of the State Highway System. The City of Redding and Caltrans District 2 enjoy a strong, positive partnership. Through partnering, Redding and Caltrans have a history in successfully delivering projects.

Levenson Development Corporation (LD&C) has been deeply involved with the development in the Oasis Road area for over 20 years. A family-owned business started in 1960, LD&C has been involved in real estate projects across the West Coast. LD&C has invested several million dollars to support development in the Oasis Road area.

The City of Redding, Redding Redevelopment Agency, LD&C, and many others have worked closely over the past 10 years to position the Oasis Road area for substantial economic development and housing opportunity. Millions of dollars in private- and public-sector resources have been invested to prepare a comprehensive Specific Plan to guide development, prepare extensive project-level engineering analysis and site design, obtain necessary environmental clearances, and create a comprehensive infrastructure-financing approach. Most recent partnership efforts have focused on the critical transportation infrastructure needed at the Oasis Road and I-5 interchange, including preparation of a joint "Project Study Report," that recently obtained approval by the supporting agencies and subsequent construction of the Phase 1 improvements.

Letters of support for the project and grant application from the following agencies or organizations listed below are appended as Attachment 2. Other letters are pending and will be transmitted separately.

- Shasta Regional Transportation Agency
- City of Anderson
- Shasta Voices
- Shasta Builders' Exchange

3.0 Grant Funds

The City is requesting TIGER funds in the amount of \$15.5 million for the construction of the widened overpass on Interstate 5. Construction of the overpass will cost approximately \$18.6 million. It will leverage an additional \$170 million of planned public and private investment that will spur the construction of more than 3 million square feet of commercial development and more than 5,000 new residential units. In combination, this \$200 million investment will generate a much-needed economic stimulus to an ailing regional economy battered by unemployment levels that exceed 15 percent.

4.0 Primary Selection Criteria

4.1 Long-Term Outcomes

4.1.1 State of Good Repair

The existing interchange is over 30 years old and is almost functionally obsolete. The overcrossing structure (Bridge No. 06-0155) was constructed in 1968 as part of the interstate highway system. Deficiencies noted in the most recent Bridge Inspection Report (March 15, 2006) include the following: wear and cracking of the existing AC deck overlay; cracking and efflorescence with stalactites (water is penetrating the deck) on the underside of the deck; abutment cracking; and the bearings are showing signs of distress.

This project is consistent with efforts to maintain the transportation facility in a state of good repair. The transportation infrastructure component of the Project will upgrade and reconstruct existing surface transportation facilities, as well as construct new facilities. Due to the poor condition and limitations of the existing interchange, future economic growth is severely constrained. Without the project, economic growth and stability in the area are hampered due to lack of roadway-network capacity. Reconstruction will not only meet current design standards, but current capacity limitations will be alleviated by adding additional lanes and improving ramps to allow increased and safer movements.

Replacement of the overcrossing is preferable when lifecycle costs are considered. The new structure will be designed structurally to last at least 75 years, with minimal maintenance. The existing bridge will need to be replaced and will require increased periodic maintenance over its remaining life. The approach roadways and ramps are asphalt concrete and are showing similar levels of distress. Reconstruction of the interchange would reset the pavement maintenance lifecycle, resulting in 10-15 years of minimal maintenance efforts.

Long-term operations and maintenance of the facility will be shared by Caltrans and the City of Redding through maintenance agreements. Caltrans funds operation and maintenance of the State Highway System through the State Highway Operation Protection Program. The City will utilize funds from the Highway Users Tax Account (HUTA) and Regional Surface Transportation Program (RSTP) programs to fund the City's share of operation and maintenance.

4.1.2 Economic Competitiveness

The Oasis Road Interchange enhances the economic competitiveness of the region, the State of California, and the United States by improving efficiency in the movement of workers and goods between Oasis Road and I-5. More importantly, providing key infrastructure will cause the private sector to invest in development. Such development is the key to long-term growth in employment in an economically distressed area.

In 2006, a retail-demand analysis was conducted for the City of Redding's regional market area. An extensive analysis of population trends, incomes, and other economic factors revealed a future demand for approximately 145 acres for regional-commercial uses. An assessment of available commercial parcels available to meet projected demand was conducted, and it was determined that Redding only had one-third of the land required to

meet demand for regional-commercial property. Several hundred additional commercial acres at the Oasis Road and I-5 interchange area were identified that could help the City meet its goals of having sufficient appropriate locations to meet the needs of its residents and visitors and to improve the City's economic vitality. However, this acreage could not be developed for significant commercial development until a new freeway interchange is constructed to provide the capacity needed to meet the traffic demand created by the development.

The Oasis Road interchange is therefore the lynchpin of the development in Redding. It will enable the development of the Oasis Towne Center and other commercial projects, as well as potentially thousands of homes. Construction of the interchange will enhance the economic competitiveness of the region by facilitating private-sector investment in the development of commercial space and residential space. This private-sector investment will generate much needed jobs in the City of Redding. Redding is an economically distressed area with more than 5,800 unemployed workers during the first six months of 2013 and unemployment rate ranging from 13 to 15 percent.² The employment opportunities generated will benefit all of Shasta County where unemployment has exceeded 15 percent since the end of 2008.

Table 2– Unemployment Rate (%)

Year				20	07				l					20	80						2009					
Month	M	J	J	Α	S	0	N	D	J	F	M	Α	М	J	J	Α	S	0	N	D	J	F	М	Α	M	J
City of Redding	5.9	6.1	6.5	6.0	5.8	6.0	6.5	7.4	9.0	8.8	8.9	8.0	7.9	8.1	8.8	8.5	8.4	8.7	9.8	10.8	13.4	14.1	14.7	13.4	13.3	13.4
Shasta County	6.8	7.0	7.5	6.9	6.7	7.0	7.5	8.5	10.3	10.1	10.2	9.2	9.1	9.3	10.1	9.7	9.6	10.0	11.2	12.4	15.3	16.1	16.8	15.3	15.1	15.3
U.S.	4.3	4.7	4.9	4.6	4.5	4.4	4.5	4.8	5.4	5.2	5.2	4.8	5.2	5.7	6.0	6.1	6.0	6.1	6.5	7.1	8.5	8.9	9.0	8.6	9.1	9.7
Difference																										
Redding - U.S.	1.6	1.4	1.6	1.4	1.3	1.6	2.0	2.6	3.6	3.6	3.7	3.2	2.7	2.4	2.8	2.4	2.4	2.6	3.3	3.7	4.9	5.2	5.7	4.8	4.2	3.7
Shasta - U.S.	2.5	2.3	2.6	2.3	2.2	2.6	3.0	3.7	4.9	4.9	5.0	4.4	3.9	3.6	4.1	3.6	3.6	3.9	4.7	5.3	6.8	7.2	7.8	6.7	6.0	5.6

Source: U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey and Local Area Unemployment Statistics. Seasonally adjusted data are not available at the local level. Therefore, for comparability purposes, all data are shown not seasonally adjusted.

To evaluate the impact of the project on the economic competitiveness of the region, the employment generated by the interchange and the private-sector investment enabled by the interchange was measured. An economic-impact analysis, based on a regional input-output model prepared by Regional Economic Impact Models, Inc. (REMI), was conducted. REMI is a nationally leading forecasting and policy analysis model that has been used by hundreds of government agencies, private consulting firms, and universities to analyze the effect of policy initiatives and land use alternatives on the economy of local regions. The methodology and assumptions are described in detail in Attachment 3. For purposes of economic-impact analysis, the impacts were divided into two categories: (1) Uses which are included in the immediate project, Scenario A, and (2) Future development also enabled by the highway interchange, Scenario B. These two scenarios are outlined as follows:

Scenario A - Redding Oasis Center

- Construction of highway interchange
- Construction and operation of primary shopping center
- Construction and operation of 104-room boutique hotel and 3,500-square-foot restaurant

Scenario B - Redding Oasis Center + Enabled Future Development

Construction of 1,000 residences

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¹ The City of Redding General Plan requires that policymakers ensure that adequate commercial lands are identified on to meet existing and projected demand for local and regional commercial activity.

² According to the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) an "Economically Distressed Area" is an area that has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate. Both the City of Redding and Shasta County have unemployment rates that are more than 1 percent over the national average for at least the past two years. In 2013 they have averaged over five percent greater than the national average unemployment rate.

- Construction and operation of 60 acres of additional big-box retail
- Construction and operation of 20 acres for a neighborhood shopping center

Redding's population grew more rapidly than the State of California's between 1990 and 2000 and also between 2000 and 2010. In addition, between 2000 and 2010, growth rates in the larger Shasta/Trinity County region (1.7 percent annually) exceeded the statewide growth rate. Thus, for the last 15 years, Redding and the surrounding areas have been outpacing the State's robust rate of growth, and recent DOF projections indicate this will continue. Between 1990 and 2010, growth in the Shasta/Trinity County region exceeded statewide averages, and this is projected to continue.

The grant funding will allow the construction of substantial amounts of already approved residential and commercial development that is needed to support projected community growth. Given this projected growth, LD&C is currently negotiating with anchor tenants, representing over 350,000 square feet of retail space and construction that will commence if the interchange improvements can move forward. In addition, approximately 800 entitled residential units are on-hold until the interchange is expanded.

The City and the private developers have been working on the planning and design of the Oasis Center for many years, and the project has secured development entitlements. Since the project is ready to begin construction and the developer has continued to show a willingness to proceed even under the current economic situation, construction of the private development included in Scenario A is certain if the interchange is built.

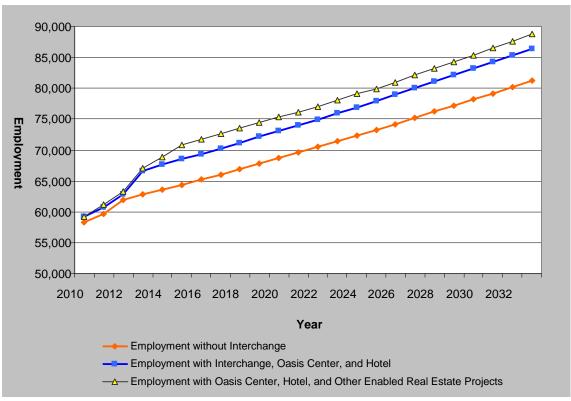
The construction timeline of the elements included in Scenario B is not as certain and is only included as a simulation of the potential development that would be enabled by the interchange, and therefore is presented as a separate scenario to illustrate the potential benefits of the project.

The analysis shows that construction related to the Oasis Road interchange is expected to generate, between 2010 and 2012, approximately 1,000 jobs per year under Scenario A and 1,200 jobs per year under Scenario B. Most of the jobs generated during this period will be in the construction sector as the interchange and the Oasis Town Center are built. This much-needed positive short-term jolt to the local economy is examined in more detail in Section 4.4.

The benefits of the project, however, are not limited to the near-term economic benefits of the construction of the project. In fact, the long-term impacts to the economy are more significant than the short-term impacts because of the employment generated by operations of the private-sector commercial and residential development enabled by the interchange. Under Scenario A, for example, the development of the Oasis Towne Center and the Hotel (taking into account the multiplier effect) will create between 3,800 and 5,100 jobs per year starting in 2014 after these commercial projects begin operations. These jobs will increase regional employment by approximately 6 percent from what would have been if the interchange had not been built (the baseline). If other projects that may be enabled, such as additional residential and big-box development (Scenario B) are taken into account, then the employment generated is much higher, at between 4,300 and 7,500 between the year 2014 and 2033. This would be employment 9 to 10 percent higher over the baseline.

Figure 1 - Employment Impact on Shasta County, 2010-2033

Source:



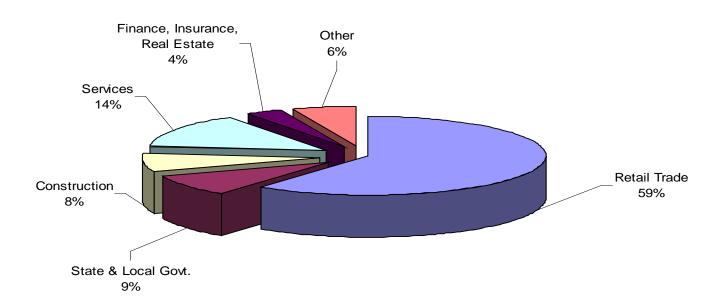
Source: ERA, REMI, Woods and Poole Economics

Table 3 - Employment Generated by Interchange and Private-Sector Investment

	2010	2015	2020	2025	2030
Baseline Employment Projections	58,300	64,400	68,700	73,200	78,200
Employment with Interchange, Oasis Center, and Hotel	59,178	68,506	73,081	77,878	83,147
Employment with Interchange, Oasis Center, Hotel and Enabled Development	59,178	70,897	75,432	79,919	85,382
Percentage Difference over the Baseline					
Employment with Interchange, Oasis Center, and Hotel	1.5%	6.4%	6.4%	6.4%	6.3%
Employment with Interchange, Oasis Center, Hotel and Enabled Development	1.5%	10.1%	9.8%	9.2%	9.2%

Beacon Economics, ERA, REMI, and Woods and Poole Economics

Figure 2 - Jobs Generated from Project Operations, 2020



Source: REMI

As illustrated in **Figure 2**, by the year 2020, nearly 60 percent, or 2,600 of the approximately 4,400 additional annual jobs generated by the project by 2020 (Scenario A), will be retail-industry jobs. These jobs will support an additional 18 percent, or 770 jobs, in Finance, Insurance, Real Estate, and Services. Approximately 400 jobs in state and local government and 300 in construction will be created by the operations of the private development projects enabled by the interchange. Without the investment in the interchange, all the other development will not occur and employment would be approximately 6.5 percent lower.

The \$200 million in public and private investment enabled by the interchange will generate jobs immediately by pouring money directly into the local economy. However, we must note that not all the public and private investment will be spent in the regional economy, as some of the inputs for construction will be brought in from outside the county. However, whatever leakage occurs will be partially offset by additional output that is generated by each dollar spent locally through a multiplier effect as the expenditures on construction ripple through the local economy. The short-term economic stimulus is described in Section 4.4. In addition to the short-term employment and output impact, however, the project will have permanent, long-term impacts on the regional economy. Once the private developments begin operations, people from all over the region will spend money which will generate additional jobs and further expenditures in Redding and Shasta County through a multiplier effect. Using REMI, the impact of the construction of the interchange and on Gross Regional Product (GRP) was analyzed. The net present value of the short- and long-term impacts on GRP, discounted at 2.9 percent, is approximately \$2.1 billion. The output generated by the commercial real estate will boost GRP by approximately 1.6 percent annually through the year 2033 (see Table 4).

Table 4 - Project Long-Term Impacts on Gross Regional Product

(Millions 2013 constant \$US)

³ It is important to note that the retail jobs will be predominantly low-skilled jobs, and will therefore offer employment opportunities for workers with limited employment opportunities who also tend to be low income.

⁴ The discount rate is based on the Office of Management and Budget Circular A-94.

	2010	2015	2020	2025	2030				
Baseline GRP Projections	\$6,728	\$7,509	\$7,509	\$9,337	\$10,405				
GRP with Interchange, Oasis Center, and Hotel	\$6,779	\$7,625	\$7,625	\$9,487	\$10,575				
Difference over the Baseline	Difference over the Baseline								
Dollar difference	\$51	\$116	\$116	\$150	\$170				
Percentage Difference	0.8%	1.6%	1.6%	1.6%	1.6%				

Source: Baseline projections based on Woods and Poole Economic. Incremental impact based on REMI model

The I-5 Oasis Road interchange will allow for the development of both employment centers and housing for workers and will permit those workers easier access to I-5 and employment opportunities along the I-5 corridor in Shasta County.

Interstate 5 is one of the most important vehicular arterials created by the National Interstate and Defense Highway Act of 1956, which envisioned the construction of a 41,000-mile highway network. I-5 is the only interstate highway on the west coast that connects Mexico and Canada. I-5 begins at the Tijuana, Mexico/San Ysidro, California border crossing and bears north to Canada, terminating at the Blaine, Washington/Surrey, British Columbia international boundary.

Passing through three states, California, Oregon, and Washington, I-5 is the spine connecting a tri-state population and market of 47 million persons with motor-vehicle registration in excess of 40 million. These states, on the nation's Pacific Rim, represent the most significant economic region in the country. Directly or indirectly connected to I-5 are some of the nation's major port facilities through which significant foreign trade must pass. From Seattle/Tacoma in the north through San Francisco/Oakland to the Los Angeles/San Pedro/Long Beach areas in the south, I-5 also includes the important deep-water river ports of Portland, Oregon on the Columbia River; Sacramento, California on the Sacramento River; and Stockton, California on the San Joaquin River. Cumulatively, these ports annually account for more than 20 million TEUs (20-foot equivalent-unit containers) of cargo.

Mostly in the 1960s and 1970s, I-5 was constructed through the northern California counties of Tehama and Shasta. Shasta County, with a population of over 160,000 and its county seat, Redding, with a population of approximately 91,000, lies midway between Los Angeles and Seattle. Redding is the most northerly designated Metropolitan Area (places exceeding 100,000 population), in California. Agriculture remains a significant factor in the economy of the county and Redding, providing more than \$75 million of revenue in foreign trade. The destination of the county's agricultural exports includes more than 25 countries. These products must move by truck on I-5 to ports and rail trans-shipment points. Construction of improvements to the I-5/Oasis Road interchange fosters commerce on I-5 by improving long-term efficiency and reliability of the system.

Construction of the I-5/Oasis Road interchange will unlock the development potential of North Redding, starting with the development of the Oasis Towne Center and Costco, consisting of approximately 900,000 square feet of retail and commercial development, and continuing with the construction of further commercial development and thousands of homes in the area.⁵ Due to the economy, there is insufficient capital available to construct the interchange, and therefore without the proposed grant, economic development of the Oasis Road area will not occur.

4.1.3 Livability

With adequate infrastructure, Oasis New Towne is an area that will see major regional growth over the next 20 years. A significant amount of community planning has occurred to direct this growth, which culminated in the

⁵ As noted elsewhere in this document, Redding and Shasta County are economically distressed areas, with unemployment rates significantly higher than the California and national averages.

adoption of the Oasis Road Specific Plan (ORSP). The ORSP sets the stage for development of over 3,000,000 square feet of commercial services and approximately 2,500 high-density residential units, while setting aside 175 acres (approximately 23 percent of the planning area) for public open space and parks and protection of environmentally sensitive resources. Along the Oasis Road corridor, both east and west of the plan area, lies the potential for more than 2,500 additional residential units, with a range of medium to suburban densities. In total, the grant project will support the daily needs of more than 10,000 area residents at buildout. Given the population supported by the Oasis Road interchange area and its connecting street and pedestrian corridors, livability was a primary consideration in developing the ORSP.

Only a limited amount of new development is possible in the Oasis Road/I-5 area without major investment in new public facilities to accommodate the growth. The public facilities needed before extensive development can occur are referred to locally as "backbone" facilities. Backbone traffic improvements include rebuilding the Oasis Road interchange and improving and realigning surrounding roads to make room for the new interchange and to support increased traffic overall. Backbone water improvements include a bore under I-5 and the installation of new water mains. The total cost of "backbone" infrastructure is projected at \$52.1 million to support the first phase of area development.

The ORSP strives to set the stage for new development that provides a high quality of life for a broad spectrum of households in the community, particularly those whose dependence on transportation options may be critically challenged because of income, economic status, disability, age, or lifestyle choice.

The ORSP was formulated to establish an appropriate jobs-to-housing balance and to incorporate key livability attributes, including establishment of large stream-corridor/open-space buffers and parks with well-designed motorized and non-motorized connections between and among the various land uses. As testimony to this effort, a complete chapter is included in the ORSP entitled Parks, Trails, Open Space, and Streetscapes.

Among the organizing principles of the ORSP that contribute to livability are:

- 1. Creating high-quality living environments that provide ready access to various modal choices, including pedestrian trails, bicycle facilities, and bus transit. The designated residential areas are situated along three stream corridors and near two proposed public parks that provide not only opportunities for recreation, but also allow the pedestrian and bike trail system to connect directly to area bus stops.
- 2. **Situating retail and other services in close proximity to the new residential neighborhoods.** The planned proximity of these uses facilitates non-motorized access to employment, shopping, and leisure activities for residents of the area. The design of the commercial centers will weigh heavily toward these pedestrian connections, and the overall design will be inviting to pedestrians, bicyclists, and those waiting at transit stops.
- 3. Accommodating the need for higher-density residential development that will be affordable for working individuals and families, as well as lower-income households. This is a critical component of Redding's housing strategy and its ability to meet State of California requirements pertaining to the Housing Element of Redding's General Plan.

By planning for higher-density residential development in close proximity to employment, services, shopping, and recreational opportunities, all linked by a well-planned vehicular and non-motorized circulation system, development in the Oasis Road area will become a model for smart growth development in the far north state. In terms of scale, the impact of the interchange project is vast in that it is the cornerstone that will allow the ORSP area to develop and its visions and benefits to the region to be realized in a timely manner.

Enhancement of User Mobility/Creation of More Convenient Transportation Options.

In the Project area there are currently limited transportation options, other than the automobile. The project will directly enhance user mobility of the interchange in the following ways:

Non-Motorized Transportation. An interlinking system of sidewalks and trails for non-vehicle use will be established throughout the ORSP area, which will link to the interchange and transit facilities. To provide a sense of scale of this proposed system, the ORSP calls for the construction of approximately four miles of public trails through largely protected natural corridors that will provide non-motorized connections to virtually all neighborhoods and commercial centers in the ORSP area. This is in addition to the separated sidewalks that will be provided along all street frontages. Aside from physical improvements that accommodate increased mobility through the design of the interchange itself, the project will facilitate additional development that will enhance mobility for pedestrians, bicyclists, and the handicapped. This TIGER project is the key link to integrate these systems located on both sides of I-5.

Pedestrian Access/Facilities. The existing interchange does not provide pedestrian facilities. Pedestrians desiring to pass over I-5 must do so adjacent to the travel lanes without protection afforded by sidewalks, barriers, or other safety devices. The reconstructed interchange will include pedestrian sidewalks, and traffic-signal timing reflects the needs of pedestrians to cross interchange ramps.

Bicycles. Provisions are also made to accommodate those traveling on bicycle, who must currently share a traffic lane with vehicles or the shoulder with pedestrians.

Bus Transit. The Redding Area Bus Authority (RABA) has two existing bus stops in the vicinity of the interchange. With additional development that will be facilitated by the project, a new transit hub will be developed to serve the town center. The transit hub will allow for multiple modes of travel to access the site and easily connect to the rest of the Redding area.

Modal Connectivity Enhancement. As addressed above, the project is designed to enhance points of modal connectivity. The ORSP prominently features planned street and trail connections between residential neighborhoods and between those neighborhoods and emerging commercial centers and includes policies that require that transit stops be established at key locations within new residential and commercial developments.

Improved accessibility for economically disadvantaged populations and others. The Redding General Plan Housing Element identifies the future residential neighborhoods in the project area as being able to accommodate approximately 50 percent of Redding's regional fair share of housing for lower-income households. This represents more than 1,500 affordable units that will be needed in the region. Because these households typically expend a larger proportion of their income for housing than other income groups, they are more likely to rely on public transportation or alternate transportation modes than higher-income households, given the cost of vehicle ownership and use. Initial plans have been developed for a several- hundred-unit senior-citizen complex to be constructed in the ORSP area. While not necessarily restricted by income, these seniors are also more likely to rely on alternate forms of transportation as they age and when driving is no longer possible. It is thus critical that easy access to transit and other alternatives to vehicles be provided. Currently, there is no better location in the region that provides a better opportunity to integrate alternative modes of transportation into the community fabric.

Planning Process. Adoption of the ORSP is the outcome of over six years of focused community effort that involved policymakers, area property owners, and numerous neighborhoods in the vicinity of the planning area. A key focus was ensuring that land use and transportation needs were coordinated, not only to determine future needs to accommodate vehicles, but to put in place the necessary policies to address all potential transportation modes. The ultimate design and integration of the grant project was a cornerstone of this effort because of its critical importance to achieving the livability and economic development goals of the community and region.

While a number of "typical" considerations, such as financial costs, vehicle travel time, impacts on existing roadway infrastructure, and environmental impacts, were addressed early in the process, the effort also addressed a number of issues that typically are overlooked in planning efforts. These include:

- Impacts on physical activity and public health
- Impacts on non-motorized travel
- Travelers' preferences (e.g., for walking and cycling)
- Ongoing project construction delays
- Indirect environmental impacts
- The value of transportation diversity (e.g., mobility for non-drivers)

As part of the process, the Redding Planning Commission held seven public workshops and public hearings to ensure that the desires of the community were addressed in the ORSP. In addition to advertisements in the local newspaper, approximately 400 invitations were sent out to individual property owners prior to each of these workshops and hearings. Through this extensive outreach effort, the City was able to craft a plan that not only recognizes the connection between land use and transportation, but addresses it in a fashion which directly supports the enhanced livability of the community.

4.1.4 Environmental Sustainability

The ORSP promotes a sustainable transportation system. The arrangement of land uses supported by this grant-funded project will result in substantial energy savings and, in turn, a reduction in greenhouse gases (GHGs) by dramatically reducing the use of private automobiles. This is important because in California, approximately 60 percent of the GHGs produced in the state can be directly linked to transportation, particularly the use of automobiles. The State of Oregon's "The Big Look Task Force" reports that a recent analysis of multiple studies comparing mixed-use neighborhoods with low-density sprawl found that doubling density, mix of uses, and street connectivity can reduce per capita vehicle miles traveled (VMT) by up to 33 percent. This essentially translates into a 33 percent reduction in energy use related to vehicles and a corresponding reduction in GHG emissions.

Project Improvement in Energy Efficiency. The average planned residential density proposed within the ORSP is approximately 15 units per acre. This density is significantly higher than elsewhere in the region and certainly above the Oregon experience noted above. The planned densities equate to a five-fold increase in density over typical suburban development in the Redding area. With: (1) higher-density residential development, (2) the close proximity of mixed-commercial and residential land uses, (3) linkages between developed areas, and (4) a favorable jobs-to-housing balance, the City estimates that the overall reduction in transportation energy use generated in the plan area could well be in the 20 percent range.

In order to provide an example of potential energy savings related to transportation, the following analysis estimates potential savings in one area only – savings in fuel costs (and, in turn, fuel consumption) resulting from implementation of the project as proposed. The analysis utilizes average trip lengths and percent of trips (i.e., home-based trips to work, shopping, and "other") as provided by the URBEMIS Version 9.2 air quality software that is sponsored by the California Air Resources Board. The savings estimate is based on the following assumptions as supported by URBEMIS:

Tables 5: Estimated Energy Savings

Estimated Savings	
Fuel Cost per Household/yr	\$2,142 (14,280/20 x 3)
Total ORSP Fuel Cost	\$4,284,000 (2,142 x 2,000)
Energy Savings/yr	\$856,800 (20% reduction based on transportation/land use coordination)

Assumptions	
Total Dwelling Units	2,000
Miles per Year/du	14,280
Average Fuel Efficiency	20 MPG
Fuel Cost	\$3/gal

Environmental Protection and Enhancement. Prior to adoption, the ORSP was scrutinized through the California Environmental Quality Act's Master Environmental Impact Report (MEIR) process. As is required of such documents, the full gamut of potential impacts was addressed, including land use, transportation, biological, air quality, aesthetics, public services, noise, etc. Modifications were made to the Specific Plan and the TIGER grant project to ensure that adverse environmental impacts are avoided to the extent feasible and that environmental benefits are "built into" the project as fundamental planning principles and construction elements.

For example, an important riparian and stream corridor that would have been impacted with the construction of a long-planned street connection to the area will be unnecessary with the construction of the TIGER grant project. The MEIR for the project studied the proposed street connection in detail and concluded that it was not a critical element of the City's street system if the grant project was implemented. Based on that analysis, the connection was removed from the General Plan Transportation Element and replaced with a recreational pedestrian link within a protected stream corridor.

Further, the ORSP establishes significant stream-corridor buffers and open space where development will not be permitted. These buffers are well in excess of those required by resource agencies as applied in other stream and riparian corridors in the region and will provide greater protection to the associated riparian and aquatic habitats. In addition, the commercial and residential development served by the TIGER grant project will also be able to provide financial support for habitat-enhancement projects needed to improve already degraded fisheries and riparian habitats. These examples are in addition to the benefits related to reduction in energy usage resulting from the sustainable growth model facilitated in the ORSP and supported by the TIGER grant project as discussed in Section 4.1.4.1.

4.1.5 Safety

The transportation infrastructure component of the ORSP will enhance safety and reduce accident potential by widening, upgrading, and reconstructing the I-5/Oasis Road interchange as well as several regionally significant arterial roadways to current standards.

The stopping sight distance for the posted speed limit for the existing eastbound and westbound approaches to the I-5/Oasis Road overcrossing do not meet current standards. The situation creates a higher propensity for rear-end collisions because motorists negotiating left turns onto the freeway on-ramps queue in the through lane. The proposed TIGER-funded improvements will remove this condition by providing a longer vertical curve at the overcrossing structure.

The existing Oasis Road overcrossing lacks adequate pedestrian and bicycle facilities. Roadway shoulders are narrow, and there are no sidewalks. Existing Oasis Road is signed as a bicycle route, where the bicyclists, pedestrians, and motor vehicles must share the roadway. The proposed construction of 6-foot shoulders and 5-foot sidewalks, compared to the existing 4-foot shoulders, is a significant improvement over existing conditions. These safety improvements have the potential to take on even more significance as pedestrian and bicycle traffic increase as a result of the development of the Oasis Road Area.

4.1.6 Project Readiness

The City of Redding fully expects to obligate the funds for the overpass project by June of 2015 as required by the grant.

4.1.6(a) Technical Feasibility

In cooperation with Caltrans, the City developed a full Project Study Report (PSR) (see Attachment) on the Oasis Interchange in 2009. The report details the improvements needed and assessed any alternatives. The report includes design drawings and lane configurations in conjunction with future development planning. Since the report was completed, Segment 1 of the project has been constructed (southbound loop onramp) and the City with the Costco development is preparing to construct Segment 2. The overpass bridge deck would be

Segment 3 of the PSR. The City has completed additional traffic studies and continues to analyze the interchange operational capacity to determine how much additional development pressure it can handle.

Substantial preliminary planning and engineering has been completed for the Project. As a result of this extensive effort conducted over the past 10 years, all technical elements have been thoroughly studied and evaluated, and the feasibility of the Project is ensured.

The transportation infrastructure component of the Project is currently progressing through the State's Department of Transportation project development process. The environmental evaluation is under way, with no expected challenges. The present schedule anticipates E76 approval at the beginning of 2015.

A Project Study Report (PSR) has been prepared by the City and Caltrans and was scheduled for approval by Caltrans in August 2009. The Project Report, including the Environmental Document, has been processed concurrently with the PSR.

4.1.6(b) Financial Feasibility

	Construction Detail	TIGER funds (requested)	Local Funds (Traffic Impact Fees)	Total Funds
Plans, Specifications & Estimate			\$325,180	\$325,180
Earthwork				
Pavement Structural	\$2,261,432			
Section	\$3,051,208			
Drainage	\$560,000			
Specialty Items	\$2,636,400			
Traffic Items	\$1,170,000			
Bridge Deck	\$4,582,073			
Mobilization	\$967,904			
Contingencies 20%	\$3,045,803			
Construction Total (capital and support)	\$18,274,820	\$15,500,000	\$2,774,820	\$18,274,820
TOTALS:		\$15,500,000	\$3,100,000	\$18,600,000

The City of Redding is committed to the financial aspect of the project. Over \$900,000 in local Traffic Impact Fee (TIF) funds have already been committed and are currently being spent on the development of the Project Study Report (PSR) and some portions of the environmental studies and final design activities. The City of Redding has an extensive and successful history of project delivery and state and federal grant administration. Over the past three years, the City received over \$100 million from bond proceeds and various state and federal programs, delivering these projects through construction. Some of the notable projects and their funding sources are noted below:

Table 9: Federal Projects Delivered by the City of Redding

Project	Funding Amount	Funding Source	Year
South Bonnyview Rd. Widening	\$10,146,990	HSIP/STIP/Bond	2007
RABA Maintenance Facility Expansion	1,200,000	FTA / Bond	2008
Cypress Bridge Replacement	67,034,026	HBP/STIP	2007
Clear Creek Wastewater Treatment Plant	4,360,035	SRF	2006
Expansion – Phase 1			
Redding Municipal Airport Taxiway A/B	3,438,038	FAA	2007
Fire Station 8 AARF	1,179,240	FAA	2006

The City of Redding is required to undergo a single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

As a recipient of federal, state, and county financial assistance, the City of Redding is responsible for implementing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. The results of the City of Redding's single audit for the fiscal year ended June 30, 2014, provided no instances of material weaknesses in the internal control structure or significant violation of applicable laws and regulations.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Redding for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. In addition, Redding also received GFOA's Distinguished Budget Presentation award for its biennial budget document. In order to qualify for the Distinguished Budget Presentation Award, Redding's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. These awards demonstrate the high level of commitment that the City of Redding maintains to transparent financial accountability in administering public funds.

The City of Redding has adopted a coordinated facility financing plan established with the North Redding Traffic Benefit Fee District (NRTBD), identified in Section 4.5.4, to generate local funds to support the TIGER grant project implementation, as well as other needed infrastructure. Of this amount, \$16.9 million is projected to be funded by tax-increment revenues from the Buckeye Redevelopment Area, and approximately \$5 million will be funded by future development outside the NRTBD boundary via a Citywide Traffic Impact Fee program.

The public-facilities financing plan for the Project area has been crafted around the following objectives:

- Providing infrastructure and facilities in a manner consistent with established community desires.
- Limiting financial risk by ensuring that public financing for infrastructure is based on reasonable market assumptions for development, while benefiting the public, consistent with the adopted ORSP and Buckeye Redevelopment Project goals and policies for well-planned growth.
- Fairly allocating capital costs across all benefiting parties.

In addition to traffic and water, infrastructure facilities investments will include sewer, storm drain, fire facilities, and parks and recreation facilities. Local-serving utility extensions and improvements not included in the \$52 million total will serve individual properties, and these improvements will be oversized to serve adjacent properties. The total infrastructure investment will approach \$95 million for the first phase of area buildout. Funding for this infrastructure will come from local agencies, established development fee programs, redevelopment tax increment, and private investment. At full area buildout, the infrastructure investment will approach \$190 million.

4.1.6 (c) Project Schedule

The transportation project is comprised of five phases. Table 8, below, summarizes key milestone for the entire project.

TABLE 8;

Milestone	Date
Environmental Phase 2	December 2016
Complete Environmental	January 2017
PS&E, including E-76	January 2017 – April 2018
Begin Construction Phase 2	July 2018
End Construction	February 2019

(i) The design of the interchange has been well established since 2009, as a result of the Project Study Report. The project has been well underway for many years but has been held up due to lack of funding. The Costco building permit has expedited the construction of surrounding improvements and the City is quickly working to build the improvements, so as not to stifle development.

Environmental Approvals

The anticipated approval for all federal, state, and local requirements, including NEPA and CEQA, is June 2014. The Phase 1 for the project has recently been completed and the environmental for Phase 2 will piggyback off the original approvals for the project and update the environmental. The City of Redding prepared and certified the Oasis Road Specific Plan Master Environmental Impact Report (MEIR) in September 2006. The MEIR analyzed impacts from development in the area surrounding Oasis Road and Interstate 5, including construction of the proposed TIGER project. Subsequent documentation required for the project pursuant to CEQA will be minimal, will tier off the certified MEIR, and will be approved by the Redding City Council. Already completed technical studies required for the MEIR will also be used to prepare the required NEPA document, anticipated to be an Environmental Assessment/Finding of No Significant Impact (EA/FONSI).

Obligation of Funds

Because of the strong partnership between Caltrans and the City of Redding, the partners are committed to obligating TIGER funds by June 30, 2016, and completing the project.

4.1.6 (d) Assessment of Project Risks and Mitigation Strategies,

The project has been specifically reduced for the purposes of the grant to address the bridge deck over Interstate 5. The reason for this reduction in scope was to reduce or eliminate project risks and potential need for additional mitigation. The bridge deck has been conceptually designed in the Project Study Report and any issues identified. Due to an existing 2-lane bridge being located in Caltrans right of way, the replacement with a larger bridge eliminates the need to deal multiple project partners and limits the risk. Caltrans has signed the Project Study Report that has established the design, and have had numerous coordination meetings to allow the first two segments to be constructed leading up to the bridge deck replacement. Caltrans has submitted a support letter for this phase of the project.

A hold up to previous applications was the relocation of Twin View Boulevard away from the interchange, this large project that required right of way and major off-site road improvements could have slowed the process. As a result of Costco moving forward, that segment of the project is being constructed with local funds and a City partnership with Costco. The bridge deck project would be completely separate and will forward when sufficient funds are acquired.

5.0 Project Costs and Benefits

5.1 Cost and Benefits

Construction of the overpass will cost approximately \$18.6 million in public funds. This public investment will enable at least an additional \$170 million of private investment for the construction of approximately 900,000 square feet of retail and commercial development. The \$200 million of public and private investment will be spent during the first three years of the project, generating much needed economic stimulus to an ailing local economy battered by high unemployment rates. In addition to the short-term stimulus created by the construction of the interchange and commercial project, there will be a long-term benefit from all the employment created by the operations of the commercial space. Sections 4.1 describe the short- and long-term benefits of the building the interchange. Those sections describe the benefits in terms of employment generation as well as the impact on gross regional product. To facilitate the evaluation of the expected project costs and benefits, the net present value of the projected costs and the benefits associated with the public- and private-

sector investment⁶ was calculated. Based on a net present-value analysis, the project will generate approximately \$2.1 billion of short- and long-term benefits to the regional economy. This amount is net of the \$33 million public investment. The B/C ratio of this project is almost 116.4. (See Table 6)

Table 6 - Investment Analysis

	Million \$US (Constant 2014)						
Costs	_						
Public investment – Interchange Bridge Deck Total Public Costs	\$18.5 \$18.5						
Benefit (Net Present Value of Impact on Gross Regional Product)							
Construction phase (2015-2018)	\$156						
Operations phase (2018-2036)	\$1,999						
Total Benefits	\$2,155						
Net Benefit (B-C) B/C Ratio	\$2,122 116.4						

Source: ERA

Notes: Discount rate of 2.9 percent is used to calculate NPV. Construction Phase Benefits include multiplier effect benefits accrued 2 years after construction completion.

5.2 Land Use and Household Benefits

Economic growth and job availability in addition to real estate and transportation expenditures are key factors of household budgets and standard of living. The near-term and long-term economic benefits realized from the ORSP will provide opportunities for many households. The TIGER funds leverage private investments that will support continued job growth and access to jobs for workers in the Shasta region of the north state.

5.3 Evaluation of Project Performance

Performance measures that will be used to evaluate the success of the project and to measure short- and long-term performance, with respect to the economic recovery measures and long-term outcomes, are listed below. These general measures will be evaluated on a 5-year cycle following completion of the TIGER grant project. They will be reflected in the legislatively mandated Oasis Road Specific Plan Annual Report and the Buckeye Redevelopment Project Area Implementation Report. The short-term success will be delivery of the project, and the long-term success will be the economic development of the Oasis Road area. The project will likely result in the creation of approximately 500 construction-industry jobs during project construction, for a period of approximately three years, and an additional 400 to 500 jobs in other industries (construction of the interchange itself will account for approximately 150-200 construction jobs and the rest will be direct and indirect jobs generated by the commercial development enabled by the interchange). Following are additional performance measures directly related to growth that the project will spur within the planned area:

- Number of affordable residential units constructed following completion of the TIGER grant project.
- Private sector investment in new commercial and residential construction as measured by permit valuation of new construction following completion of the TIGER grant project.
- Increase in tax-increment collections within the Buckeye Redevelopment Project Area following completion of the TIGER grant project.

⁶ Per OMB Circular A-94, ERA assumes a 2.9 percent discount rate to calculate the net present value of the projected costs and benefits.

- Increase in total property tax collections within the Buckeye Redevelopment Project Area following completion of the TIGER grant project.
- Number of employed individuals within the ORSP Project Area following completion of the TIGER grant project.
- Total public infrastructure investment within the ORSP Project Area and Buckeye Redevelopment Project Area following completion of the TIGER grant project.

5.4 Job Creation & Economic Stimulus

The economic model, as well as a detailed description of the methodology, used to estimate the potential economic impact of the Oasis New Towne, is presented in Attachment 3.

As explained in Section 4.1, for purposes of economic impact analysis, the potential impacts are divided into two categories: (1) Uses which are included in the immediate project, Scenario A and (2) Future development enabled by the highway interchange, Scenario B.

Job Creation

Because REMI is a regional model, the impact on job creation of the project is analyzed at the county level. Using the inputs described in Attachment 3 and the REMI model, the total estimated net change in employment per year in Shasta County resulting from the development of the Oasis New Towne and the Interchange (Scenario A) would be an average of 1,000 jobs per year during the first three years (see Figure 4). If the additional enabled development is taken into account, as in Scenario B, then an average 1,200 jobs per year are generated. Approximately 55 percent of the jobs generated by the project will be in the construction sector, which has been the most affected by the current economic condition (See Figure 5). The State of California Employment Development Department estimates that construction jobs have shrunk from approximately 5,100 in 2006 to 3,400 in 2008. The current level of employment in construction is lower than it was in the year 2000. The approximately 550 construction jobs created by the construction of the interchange and private development will help the regional economy make up almost one-third of the 1,700 construction jobs lost since 2006.

The job-creation benefits from the project, however, are not limited to the construction period. In fact, more employment opportunities will be generated when the Oasis New Towne Center is completed and opens to the public. Under Scenario A, employment is expected to increase by approximately 3,800 jobs in year 2015 and to increase by 5,000 jobs by 2032. If the additional enabled development is built (Scenario B), then the job-creation benefits are higher; 4,300 jobs in 2014 and 7,300 jobs by 2032. The long-term impacts of the project are examined in more detail in Section 4.1.2.

Economic Stimulus

An investment of approximately \$33 million on the Oasis Road interchange will leverage an additional \$170 million in additional private investment, resulting in the construction of the Oasis Towne Center and Hotel. The majority of this private investment will be deployed during the three-year construction phase, which will start as early as 2012. Not all of the \$200 million of public and private investment will be spent in the regional economy, because some of the inputs for construction will be brought in from outside the county. However, whatever leakage that occurs will be partially offset by additional output that is generated by each dollar spent locally through a multiplier effect as the expenditures on construction ripple through the local economy. Using the REMI model, the estimated net effect, which accounts for leakage as well as the multiplier effect, on Gross Regional Product (GRP) in Shasta County resulting from the construction of the interchange and the Oasis Towne Center (Scenario A) will be approximately an additional \$165 million dollars during 2014 and 2015 and

an additional \$7 million in between 2016 and 2017 (see Table 4.)⁷ This amount accounts for the private-investment leverage and the multiplier effect on the regional economy as those monies are spent. In 2010 alone, the interchange project is projected to generate a stimulus of approximately \$51 million. Although this amount represents only approximately 0.8 percent of the GRP, this economic stimulus is much-needed, given that the local economy has been battered by the current nationwide economic crisis. Redding building activity, for example, is on track to make this the worst year for dollar valuation since 1982. During the first 6 months of the year, the value of all building permits collapsed to \$2.7 compared to 11.9 and 16.1 for comparable periods in 2008 and 2007 respectively. Although broader measures of extent of the impact of the economic crisis on the local economy are not readily available, one can surmise, based on state and nationwide trends, that a decline in construction such as the one observed in Redding wreaks havoc on the local economy. The \$156 million short-term economic stimulus associated with the construction of the interchange will allay the devastating effect of the current economic downturn on Redding and the rest of Shasta County.

Figure 3 - Oasis Interchange Total Employment Impacts

Scenario A) is \$156 million. This assumes a 2.9% discount rate.

⁷ Dollar figures are expressed in constant 2008 dollars and not discounted to net present value. The net present value of the increase in GRP associated with the construction of the interchange and the private development (

⁸ The high unemployment rate observed in Redding and Shasta County provide some evidence of this. See Table 1.

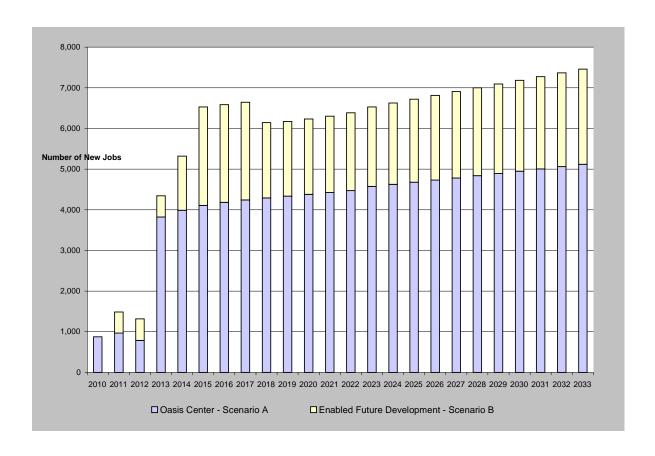


Figure 5 – Oasis Job Generation

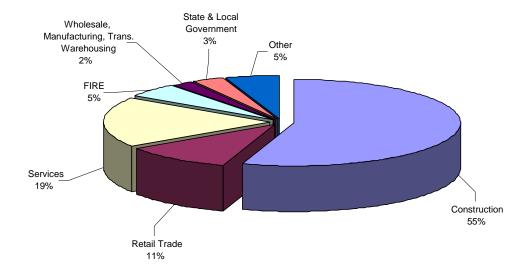


Table 6 - Impact of Proposed	Project or	n Gross	Regional Produ	ct
(Million 2013 US\$)				

Category	2015	2016	2017	2018	2019	Total
Shopping Center	\$53.3	\$53.3	\$53.3	\$0.0	\$0.0	\$160
Interchange	\$15.0	\$15.0	\$0.0	\$0.0	\$0.0	\$30
Hotel & restaurant	\$0.0	\$7.4	\$2.5	\$0.0	\$0.0	\$10
Total Construction	\$68.3	\$75.7	\$55.8	\$0.0	\$0.0	\$200
Net Effect on GRP	\$50.9	\$58.2	\$48.8	\$5.4	\$1.8	\$165

Source: ERA, REMI, and Bureau of Labor Statistics.

Low-Income Job Opportunities

Approximately 60 percent of the jobs generated by the project in the long-run, once the Oasis Towne Center is in operation, will be retail industry jobs. By the year 2020, for example, approximately 4,500 retail jobs will be created by the new development. Many of these jobs will be low-skill jobs which will provide valuable employment opportunities for low-income residents with limited employment opportunities.

Small and Disadvantaged Business Opportunities

The City actively supports and implements a Disadvantaged Business Enterprise (DBE) Program that is based on U.S. Department of Transportation, 49 CFR, Part 26 requirements. The City's DBE program encourages the participation of small businesses, DBEs, and small veteran-owned businesses and establishes goals for race-conscious Underutilized DBE (UDBE) participation in federally aided projects.

Connecting with Disadvantaged Workers

Minimum requirements of the City's DBE program requires bidders to establish that a good-faith effort was made to encourage DBE participation and meet the City's established UDBE goals. In the case of federally funded projects, the City requires bidders to include substantial documentation and supporting information necessary to establish the bidder's good-faith efforts to meet the UDBE goals. Full detail on the program is available for review on the FTP site (FTP address):

The City's program also asks bidders to consider the following when preparing bid submittals:

- Advertising for UDBE participation in newspapers, trade papers and minority focus papers and on the Internet.
- Solicitations and follow-up telephone contacts before the opening bid date to allow the subcontractor time to prepare a quote to submit to the bidder. Telephone or e-mail logs and fax receipts may be used to corroborate follow-up contacts.
- Advertisements and solicitations should state which items or portions of work are being made available. The bidder should consider making as many items of work available as possible to meet the goal, including those items normally performed by the bidder with its own forces.
- Bidders are encouraged to assist UDBE subcontractors in the areas of bonding (if required); lines
 of credit; and obtaining necessary equipment, supplies and materials, and inform UDBEs of this
 assistance in their solicitations.
- The documentation should clearly demonstrate all efforts made by the bidder to meet the UDBE goal.

Labor Practices and Compliance

The City as the sponsoring agency has a sound record on labor practices and compliance.

The City's construction contract documents require the payment of the general prevailing wage rates in

- accordance with Section 1773 of the State of California Labor Code and the Federal Minimum wage rates as determined by the United States Secretary of Labor.
- The City's federally assisted contracts also include bidder assurances that the contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex, and that the contractor shall carry out applicable requirements of Title 49 CFR (Code of Federal Regulations) part 26. Each subcontract signed by the bidder is also required to include these assurances.

Best Practices

The City's federally assisted contracts require the contractor to certify compliance with the Equal Employment Opportunity Regulations of the 41 CFR 60-1.7(b)(1).

6.0 Secondary Selection Criteria

6.1 Innovation

The transportation infrastructure component of the Project incorporates innovative strategies such as Intelligent Transportation Systems (ITS) on mainline I-5. The ITS components will include video surveillance, CMS technology, and ramp metering. These components will enhance interregional goods movement and local access to up to 7,500 new jobs within the retail/commercial component of the Project.

6.2 Partnership

The following describes the strong collaboration of a broad range of participants and integration of public transportation with other public-service efforts.

6.2.1 Jurisdictional & Stakeholder Collaboration:

A Public-Private Partnership is at the core of this project. The joint Redding and Shasta County Buckeye Redevelopment Agency will join the City of Redding and private development interests, including Levenson Development Company, along with area property owners to fund in excess of \$51 million in "backbone infrastructure" to support the economic engine that will be the Oasis Road/I-5 area. Collectively, these entities will bring a focused commitment to the area that will result in the development of millions of square feet of new development; thousands of new homes, including many new affordable housing units; and potentially 7,500 new jobs.

6.2.2 Disciplinary Integration

Oasis New Towne, which involves improvements to local roads and the interchange, is supported by several non-transportation public agencies. The City of Redding's Redevelopment Agency, in partnership with Shasta County, created the Buckeye Redevelopment Project in July 2000 as a cooperative project to redevelop 1,063 acres of blighted and underdeveloped land surrounding the project area. A primary goal in forming the joint Project area is to provide a unified effort to remove physical and economic barriers, thereby facilitating infrastructure improvements needed to encourage development that will benefit regional population. These efforts have also been supported by the Shasta Builders' Exchange, Shasta County Economic Development Corporation, Shasta Voices, and multiple private-development interests over the past decade.

6.3 Federal Wage Rate Certification

I hereby certify that the City of Redding will comply with Subchapter IV, WAGE RATE REQUIREMENTS, of Chapter 31 of Title 40 of the United States Code on any project aided or assisted by the American Recovery and Reinvestment Act of 2009.

/s/ Brian Crane
Brian Crane, Director
Transportation and Engineering Department
City of Redding

7.0 Other Environmental Reviews and Approvals

7.1(a) NEPA Requirement

Since the project will involve federal funds, review under the National Environmental Policy Act (NEPA) is required. Technical studies have been completed for the Project area as part of the Oasis Road Specific Plan MEIR. Some minor follow-up documentation and/or studies may be necessary to meet the level of detail required for a Project-Level NEPA document, but are not expected to be substantial. The anticipated completion date for the NEPA is June 2015. When complete, the NEPA document will be available on-line at the website below. The technical studies prepared to date and the Oasis Road Specific Plan MEIR are available on the City of Redding website:

http://www.ci.redding.ca.us/devserv/envdocs/EIR-MISC.html

Environmentally Related Federal, State, and Local Actions

Compliance with related state and federal regulations will be achieved during the NEPA/CEQA process. The City of Redding will work with Caltrans District 2 Office of Local Assistance to ensure that regulations are addressed as needed. The project is likely to require the following approvals or permits:

Federal: (1) Section 106 approval by Caltrans pursuant to the Programmatic Agreement between Caltrans, FHWA, and SHPO (archaeological surveys of the project area indicate that no historic properties will be affected) and (2) National Marine Fisheries Service (NMFS) concurrence pursuant to the federal Endangered Species Act (ESA) and Magnuson-Stevens Fishery Conservation and Management Act (minor impacts to Churn Creek will result during widening of the I-5 bridge over the creek). Consultation with the U.S. Fish and Wildlife Service is not needed, since sensitive plant or animal species were not found within the project area.

U.S. Army Corps of Engineers 404 Nationwide Permit will also be obtained for minor impacts to waters of the U.S.

State: (1) Streambed Alteration Agreement through the California Department of Fish and Game (DFG), (2) Water Quality Certification Section 401 of the Clean Water Act Section 401 from the Regional Water Quality Control Board.

7.1(b) Legislative Approvals

Local legislative planning approvals for the proposed TIGER grant project were completed with approval of the Oasis Road Specific Plan and related General Plan amendments and property rezoning in September 2006. Local legislative approvals were granted via the unanimous actions of the Redding City Council. In addition, the Redding City Council adopted a facility financing plan and established the North Redding Traffic Benefit District in October 2007 to target in excess of \$50 million in funding to support plan implementation.

7.1(c) State and Local Planning

This project is included in the following relevant planning documents:

State Planning

Caltrans' District Transportation Concept Report for Interstate 5 includes improvements to the Oasis Road Interchange. Caltrans District 2 recently completed the Interstate 5 Transportation Concept Report to provide a blueprint for infrastructure management in the critical Interstate 5 corridor through Northern California. The plan includes strong recognition that Interstate 5 transportation infrastructure is insufficient to meet needed economic development in the Redding area. The plan further provides that the Oasis area specifically is "the next major growth area in the City of Redding" and calls for the "replacement of the Oasis Interchange" to support this growth.

Regional Planning

The Oasis Road Interchange is included in the Shasta Regional Transportation Agencies (SRTA) Regional Transportation Plan (RTP), which is the long-term blueprint of the region's transportation system. The reconstruction of the Oasis Road interchange is included in an interchange deficiency study prepared by the SRTA. In February 2009, the FTIP was amended to include the first phase of the Oasis Road interchange.

Local Planning

This project is reflected prominently in the Redding General Plan. All necessary legislative approvals needed from the City to construct the proposed project were completed with approval of the Oasis Road Specific Plan and related General Plan amendments and property rezoning in September 2006.

8.0 Index of Websites for Supporting Information

The City of Redding has established a project-specific FTP site for access to documents associated with this application. The FTP site is found at the following address: ftp://maps.ci.redding.ca.us. Username: cortiger; Password: gnt9G\$. Additional background information can be found at the websites for the following agencies:

City of Redding: http://www.ci.redding.ca.us

Redding Redevelopment Agency: http://www.ci.redding.ca.us/redev/index.html

Caltrans District 2: http://www.dot.ca.gov/dist2/

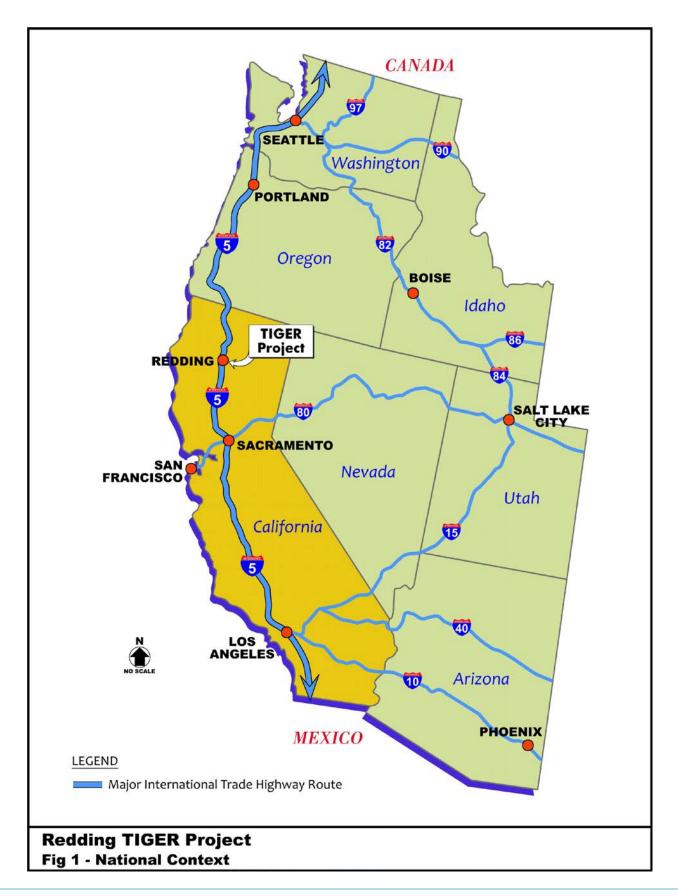
Shasta County Regional Transportation Planning Agency: http://www.scrtpa.org
Caltrans Bridge Maintenance: http://www.dot.ca.gov/hg/structur/strmaint

APPENDIX

Figure 1: Project Location on West Coast

Attachment 1: Project Fact Sheet Attachment 2: Letters of Support

Attachment 3: Economic Impact Methodology and Assumptions



ATTACHMENT 3 – ECONOMIC IMPACT METHODOLOGY AND ASSUMPTIONS

Methodology

In order to estimate the potential economic impact of the Oasis Road Interchange, ERA utilized an economic modeling system called Policy Insight, developed by Regional Economic Models, Inc. (REMI). REMI is a nationally leading forecasting and policy analysis model that has been used by hundreds of government agencies, private consulting firms, and universities to analyze the effect of policy initiatives and land use alternatives on the economy of local regions.

The REMI model is a dynamic model that allows users to examine impacts over time in a changing economic climate. The forecasting and policy-analysis system includes key econometric estimates and integrates interindustry transactions, long-run equilibrium features, and the new economic geography. It includes: substitution among factors of production in response to changes in relative factor costs; migration responses to changes in expected income; labor participation rate responses to changes in real wage and employment conditions; wage rate responses to labor market changes; consumer consumption responses to changes in real disposable income and commodity prices; and local, regional, and market-share responses to changes in regional production costs and agglomeration economics

As described in Section 7.4, ERA has divided the potential impacts into two categories: (1) Uses which are included in the immediate project, such as the construction of the highway interchange, the shopping center, and hotel; and (2) Future development enabled by the highway interchange, such as residential units and big box and neighborhood retail.

In order to use the REMI model to estimate the economic impact of the Redding Oasis Center, ERA developed a set of assumptions related to scale of development, absorption, construction costs, and operating performance. The assumptions for each project component are described below.

Project Only - Construction

Estimated development costs for Phase 1 are shown below. The boutique hotel cost was calculated using a cost of \$85,000 per room, in addition to the 3,500-square-foot restaurant.

Appendix Table 1 - Interchange and Oasis Towne Center Assumptions

Project	Construction Cost	Time Frame
Highway Interchange / Other Infrastructure	\$30 million	2016-2020
Shopping Centers	\$160 million	2016-2020
Boutique Hotel and Restaurant	\$9.6 million	2018-2020

ERA used the following methodology for estimating the economic impact of the construction for Phase 1 within REMI:

- Highway Interchange The highway interchange construction budget was entered into REMI's non-residential investment spending variable. Since the tax increment will eventually be used to pay back the developer, ERA also included state and local government spending between 2015 and 2021 in order to reflect the method of financing.
- Shopping Center The shopping center, boutique hotel, and restaurant were also included in REMI's non-residential investment spending variable.

Project Only - Operations

In order to project the economic impact of the operations of the shopping center, ERA used the following methodology:

- For the shopping center, hotel, and restaurant, estimated total revenue in the first year of operations (2016).
- Identified labor productivity rates for retail trade (shopping center) and accommodations and food services (hotel and restaurant) categories for 2016. The REMI regional control model for Shasta County includes labor productivity rates.
- Applied these labor productivity rates to calculate approximate employment generated in each industry category.
- Used these employment estimates as inputs into the REMI model.

Enabled Future Development - Construction

Assumptions for the construction of Phase 2 components are shown in the table below.

Appendix Table 2 – Enabled Future Development Assumptions

Within the REMI model, ERA used the residential investment spending variable for the construction of the 1,000 homes and the non-residential investment spending variables for the construction of the big box retail and neighborhood shopping center.

Project	Construction Cost	Time Frame	Assumption
Big Box Retail	\$71.9 million	2016	60.8cres, FAR of .22, \$125
Neighborhood Shopping Center	\$23.9 million	2017	20 acres, FAR of .22, \$150
Residential	\$245 million	2018-2027	\$325,000 per unit, 1,000 units, 100 absorbed / year

Enabled Future Development – Operations

In order to determine the economic impact of the operations for the enabled future development, ERA made the following assumptions in order to estimate gross sales. Similar to the direct project analysis, we converted the gross sales estimates into employment using labor productivity ratios. Key assumptions are described below:

- Big Box Retail 575,000 square feet of retail, \$325 sales (gross) per square foot, \$186.9 annual sales; operations start in 2015.
- Neighborhood Shopping Center 191,700 square feet, \$350 per square foot gross sales, \$67.1 million annual sales; operations start in 2016.



1255 East Street, Suite 202 • Redding, CA 96001 • (530)262-6190 • FAX (530)262-6189 E-Mail srta@srta.ca.gov • HOME PAGE <u>www.srta.ca.gov</u>

Daniel S. Little, Executive Director

June 2, 2015

Kurt Starman, City Manager City of Redding 777 Cypress Avenue Redding, CA 96001

Subject:

Support for City of Redding 2015 Transportation Appropriation Request

Interstate 5/Oasis Road Interchange Improvement Project

Dear Kurt:

Please accept this letter of support for the city of Redding's 2015 transportation appropriation request for improvements at the Interstate 5/Oasis Road interchange. The Oasis Interchange Improvement Project is included in the Shasta County Regional Transportation Plan and is a critical component within a larger set of planned regional improvements.

The Interstate 5 corridor has long been the highest priority of the Shasta Regional Transportation Agency. The South Redding Six Lane Project was completed in 2012 in our continued efforts to create a six-lane facility along the Interstate 5 mainline within our urbanized area. Our board of directors also approved a Metropolitan Improvement Program to address corresponding interchange needs within the corridor. The Oasis Interchange Improvement Project is a key component because it would improve connectivity between the cities of Redding and Shasta Lake where planned growth would address regional economic needs.

This project will enhance access and mobility for our struggling economy and enjoys our full support for consideration of TIGER funds.

Sincerely,

Daniel S. Little, AICP, Executive Director

Shasta Regional Transportation Agency (MPO)

DSL/jac



P.O. Box 492794 Redding, CA 96049 (530) 222-5251

June 2, 2015

Anthony Foxx, Secretary **U.S. DEPARTMENT OF TRANSPORTATION**Office of the Secretary

Washington, DC 20590

Re: TIGER GRANT request from the City of Redding, California Support for Interstate-5/Oasis Road Interchange Reconstruction Funding

Dear Secretary Foxx:

Our organization, Shasta VOICES, is a strong private-sector business group with 1,084 members and supporters who live and work in the Redding and Shasta County area, who advocate for a stable and sustainable economic future in our community. Please accept our strong support for TIGER Grant Funding for the City of Redding's project for interchange reconstruction on Interstate 5 at Oasis Road in Redding, California.

The Interstate-5/Oasis Road Interchange project would reconstruct the interchange at that location, which was built in 1967, and has not been improved since. This project was voted as the **number one infrastructure improvement priority** by the Redding City Council due to its importance in enhancing safety and improving traffic efficiency in North Redding. This has been targeted as the next major area in Redding for responsible growth, both commercial and residential. We were fortunate to obtain AARA funds in 2010 to complete Phase I of the planned reconstruction. But growth cannot proceed without additional improvements to the interchange.

There are local private sector business partners who are contributing some funding to this project, including Costco Wholesale who will pay \$4.1 million in traffic impact fees towards the reconstruction of this interchange. TIGER funding to help complete this project would not only provide traffic safety and capacity improvements to all travelers, but will also enable future growth and development, which will create as many as 7,000 new local jobs over the next 15-20 years. Shasta County has one of the highest unemployment rates in the State, as well as in the Country. The jobs created would not only be immediate construction and construction supplier jobs, but much-needed long-term jobs in the finance, insurance, real estate, retail trade, and services sectors.

This project truly creates a long-term, significant benefit to our community and all those who travel through it on Interstate-5. There is strong support for this project locally by construction, real estate, business and especially people who need a job!

Thank you for your consideration in providing TIGER Grant funding for this highly deserving project in our community.

Sincerely,

Mary B. Machado Executive Director On Behalf of the Board of Directors

Phone: (530) 222-5251; Email: mary@shastavoices.com

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE DIRECTOR P.O. BOX 942873, MS-49 SACRAMENTO, CA 94273-0001 PHONE (916) 654-6130 FAX (916) 653-5776 TTY 711 www.dot.ca.gov



June 1, 2015

The Honorable Anthony Foxx Secretary of the U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Dear Secretary Foxx:

The California Department of Transportation (Caltrans) supports the application of the City of Redding to the United States Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER 2015) competitive grant program for the I-5/Oasis Road Interchange project.

The project includes improvements to the existing interchange area, allowing a larger capacity facility that will meet future traffic volumes. Additional work includes reconstruction and widening of the local arterial roads and addition of bicycle and pedestrian facilities to expand mobility options. These improvements will provide many short-term and long-term improvements to the surrounding area.

Caltrans looks forward to assisting the City of Redding on this project.

Sincerely,

MALCOLM DOUGHERTY

Muhh

Director

COMMITTEES:
COMMERCE, SCIENCE,
AND TRANSPORTATION
ENVIRONMENT
AND PUBLIC WORKS
FOREIGN RELATIONS

United States Senate

HART SENATE OFFICE BUILDING SUITE 112 WASHINGTON, DC 20510-0505 (202) 224-3553 http://boxer.senate.gov

August 11, 2014

The Honorable Anthony Foxx Secretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Dear Secretary Foxx:

I am writing to express my support for the grant application submitted by the City of Redding to the Transportation Investment Generating Economic Recovery (TIGER) Grant Program.

Interstate 5 (I-5) is the main route for vehicles traveling through the Sacramento Valley. According to the California Department of Transportation (Caltrans), I-5 in Redding currently serves a daily average of 42,500 cars. Caltrans expects that to increase to 94,000 cars daily by 2030, requiring an expansion of I-5 to accommodate the growth.

If awarded this \$15.5 million grant, the City will replace the current two-lane Oasis Road overpass with a six-lane overpass. This project will improve traffic safety and provide multimodal transportation options for bicyclists and pedestrians. The improvements will also support planned economic development in the region by increasing access to an area targeted for commercial development and 5,000 high-density housing units serving middle- and low-income residents.

In advance, I thank you for your attention to this matter. Should your staff have questions regarding this letter, please contact my Deputy State Director Stacey Smith at (916) 448-2787.

Sincerely,

Barbara Boxer

United States Senator



August 13, 2014

The Honorable Anthony Foxx Secretary U.S. Department of Transportation 1200 New Jersey Avenue, S.E. Washington, D.C. 20490

Dear Secretary Foxx:

I am writing to support the City of Redding's application for a FY14 Transportation Investment Economic Recovery (TIGER) VI Discretionary Grant to fund the Oasis Road Interchange Project.

The City is requesting \$15.5 million to improve access on Interstate 5 (I-5) in Redding. The 2006 Bridge Inspection Report stated that the existing structure is over 30 years old and shows signs of wear and cracking in the overlay and signs of distress in the bearings. Currently, I-5 in Redding serves an average of 42,000 cars daily, and this number is expected to increase to 94,000 by 2030. If awarded this grant, the City will replace the current two-lane overcrossing with a six-lane structure that will include bike, transit, and pedestrian facilities.

The Oasis Road Interchange Project would support planned economic development in the region by providing additional interchange access to an area targeted for commercial, office, industrial, and housing development. Additionally, the project is anticipated to create between 200-250 construction jobs, as well as 500-600 ancillary jobs in the short term. In the long term, the project is expected to increased employment by 6 percent in a region currently experiencing a 9.5 percent unemployment rate.

Thank you in advance for your consideration of this project. If you have any questions regarding this grant application, please do not hesitate to contact my office.

Sincerely,

Dianne Feinstein United States Senator DOUG LAMALFA 1ST DISTRICT, CALIFORNIA

COMMITTEE ON NATURAL RESOURCES
COMMITTEE ON AGRICULTURE

Congress of the United States House of Representatives

Washington, DC 20515-0501

WASHINGTON OFFICE: 506 CANNON HOUSE OFFICE BUILDING WASHINGTON, DC 20515 TEL: (202) 225–3076 FAX: (202) 226–0852

> OROVILLE DISTRICT OFFICE: 1453 DOWNER STREET SUITE A OROVILLE, CA 95965 TEL: (530) 534–7100 FAX: (530) 534–7800

REDDING DISTRICT OFFICE: 2885 CHURN CREEK ROAD SUITE C REDDING, CA 96002 TEL: (530) 223–5898 FAX: (530) 223–5897

http://lamalfa.house.gov

May 14, 2014

The Honorable Anthony Foxx Secretary U.S. Department of Transportation 1200 New Jersey Avenue SE Washington, DC 20590

RE: TIGER Grant, Shasta County, Interstate 5 and Oasis Road Interchange

Dear Secretary Foxx:

I would like to support the I-5/ Oasis Road Interchange project for consideration with regards to the TIGER transportation grant program under the American Reinvestment and Recovery Act (ARRA). The proposed project is being nominated by the City of Redding, located in Shasta County.

The I-5/Oasis Road Interchange project would reconstruct the interchange on I-5 at Oasis Road. This project has been identified as the top priority of the Redding City Council due to its importance in enhancing safety and improving traffic efficiency for North Redding. Not only would this project increase safety and mobility on I-5 and Oasis Road for interregional, regional, and local travelers, it would also provide the City the opportunity to attract businesses and enhance economic development in a region with disproportionately high unemployment rates.

Thank you for your consideration. The I-5/Oasis Road Interchange project would bring beneficial long-term outcomes for this region.

Sincerely,

DOUG LAMALFA Member of Congress