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Memorandum Date: December 04, 2006
Meeting Date: December 13, 2006

TO: Board of County Commissioners
DEPARTMENT: Public Works
PRESENTED BY: Tom Stinchfield, Transportation Planning Engineer
AGENDA ITEM TITLE: DISCUSSION/Lane County Applications for Surface Transportation Program (STP-U) Funds in the Metro Area for FY 08 and FY 09 and Issues Related to Regional Priorities, Oregon Department of Transportation (ODOT) Funding, and Match

I. MOTION
N. A.

II. AGENDA ITEM SUMMARY
At the November 9, 2006 Metropolitan Policy Committee (MPC) meeting, the committee approved a schedule for STP-U applications for FY 08 and FY 09. Applications are due on December 20, 2006 with eventual adoption after staff and public review at the March 2007 MPC meeting. This discussion item will update project application ideas for Lane County projects and also allow discussion about the use of STP-U funds generally for "regional priorities".

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History
During the last STP-U cycle, Lane County applied for funds for a pavement preservation project on Delta Highway South. Although the work is substantially complete, this contract has not been finalized. The construction cost was about \$1,300,000. Lane County will be reimbursed with about \$650,000 of STP-U funds.

The other relevant Board action is priority setting for ODOT projects in Lane County. Lane County and MPC have previously worked with ODOT to prioritize construction of the I-5/ Beltline project. The first phase of that construction is under contract. The proposed 2008-2011 Statewide Transportation Improvement Program (STIP) includes \$22 million in federal and ODOT funds for Phase 2 of the project. As part of the Region 2 All-Area process, the Board adopted Board Order 06-4-26-10 that endorsed adding funds to the I-5/ Beltline Interchange (\$3.5 million); I-5/Coburg Interchange (\$6.2 million); Beltline at Coburg Rd (\$2.2 million); Beltline, River Rd to Coburg Rd EIS (\$1.5 million); and OR 126 Poterf Cr-Noti (\$0.5 million). Order 06-4-26-10 is provided as Attachment 1.

B. Policy Issues
The major policy issue for the Board is where to place its priorities for use of federal STP-U funds. These funds are flexible and can be used for modernization, preservation, or planning activities. They can be used for highway projects or transit projects. Given the current uncertainties in the County Road Fund, should the county concentrate on County

projects? Or, should the County support use of these funds to match or leverage ODOT and federal funds? There have been recent discussions at MPC on defining "regional" priorities and concentrating resources on these priorities. It seems clear that the City of Eugene is currently choosing to concentrate on preservation activities on city streets. It seems equally clear that Springfield is focused on the continued improvement of local and ODOT facilities in the I-5/Beltline area.

The other policy issue for the Board is the overall issue of local participation in ODOT projects. The Board has a leadership role as a Regional Advisory Group in the Region 2 All-Area process. The Board has a role in setting ODOT priorities and coordinating with ODOT as a statewide agency. The Oregon Transportation Commission (OTC) adopted a new policy on Cost Sharing Infrastructure Policy in January 2006. Attachment 2 is an excerpt from the January 16, 2006 OTC minutes where this policy was adopted. The text of the policy is included in the minutes. Local agencies and AOC commented on this policy and were active in providing flexibility in the wording. It seems fair to say that local governments are concerned about the financial obligations that may come with this policy. It also seems clear that the OTC is assertively pursuing this policy statewide.

C. Board Goals

This decision is related to allocation of Road Fund financial resources through the Capital Improvement Program (CIP). Two goals from the Strategic Plan, page 13, are relevant:

- *Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.*
- *Protect the public's assets by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.*

D. Financial and/or Resource Considerations

Substantial reductions in the CIP over the last two years have been made following the priorities above. The trend towards a reduced CIP program seems likely even if federal timber receipts continue to flow at current levels. If that flow is interrupted or reduced substantially, the picture will be much worse. Reductions in the CIP budget make it logical to look for other funding sources to preserve and improve County roads.

On the other hand, there are competing financial priorities involved with the large ODOT projects already funded in the STIP. ODOT and PeaceHealth have agreements that require PeaceHealth to match local government contributions to ODOT projects in the I-5/Beltline area dollar for dollar up to \$8 million. As we understand the agreement, PeaceHealth would begin to pay up to \$1 million per year in 2012 if local government match commitments have been made. These funds would be used to construct additional phases of the I-5/Beltline interchange project or the associated surface streets in the Gateway/Beltline project to be done by the City of Springfield. STP-U funds could be used for either of these projects. They could also be used to supplement funds for the I-5/Coburg Interchange project or other ODOT projects.

E. Analysis

MPC has allocated about \$1.8 million per year in FY 08 and FY 09 in STP-U funds to a combined modernization, preservation, and project development category. In addition, there is an unallocated carryover from FY 07 of \$1 million. This means there will be about

\$4.6 million to allocate during the FY 08 and FY 09 funding cycle.

Staff is currently working on two project applications for Lane County. The first is a pavement preservation project on Hayden Bridge Road, Pioneer Parkway to 19th Street. This project has a preliminary estimate of \$250,000-\$350,000. We are also looking at supplementing federal rail funds on the Irving Road Rail Crossing safety improvement at the Union Pacific rail crossing adjacent to the Northwest Expressway. This project has a total estimate of \$1,500,000. We have not identified a requested amount yet, but it will probably be of a similar amount to Hayden Bridge Road.

This is a check-in for County staff with the Board on these project ideas. Staff will submit one or both of these applications to LCOG prior to December 20th based on continued analysis. If the Board desires to give staff direction on these applications, the Board can do that. Otherwise, the Board can discuss the general issues and provide some direction to the county's MPC representatives on further discussions of the "regional priority" issue.

F. Alternatives/Options

Option 1. Submit Lane County applications for the two Lane County projects described above and reserve judgment on overall priorities and the "regional" question until TPC and MPC reviews the applications.

Option 2. Direct staff to submit no applications and make priority recommendations to the MPC representatives based on technical considerations.

IV. TIMING/IMPLEMENTATION

All applications, including those that would be submitted by Lane County, are due December 20, 2006. We expect public review of these applications to occur in early 2007 with distribution of all applications to MPC at their February meeting and public hearing/action scheduled for the March 8, 2006 MPC meeting.

V. RECOMMENDATION

Option 1. Submit appropriate County project applications.

VI. FOLLOW-UP

These applications and issues will be discussed at subsequent MPC meeting through at least March 2007.

VII. ATTACHMENTS

Attachment 1 Order 06-4-26-10

Attachment 2 ODOT Cost Sharing Infrastructure Policy

PASSED

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER NO.
06-4-26-10

-) In the Matter of Commenting to the Oregon
-) Department of Transportation (ODOT) on the
-) Region 2 Modernization Proposal for Priority
-) Projects for the 2008-2011 Statewide
-) Transportation Improvement Program (STIP)
-)

WHEREAS, the Oregon Department of Transportation (ODOT) has requested input from the Lane County Board of Commissioners on the Region 2 Modernization Proposal for Priority Projects in the 2008-2011 Statewide Transportation Improvement Program (STIP) released for review February 16, 2006; and

WHEREAS, the Board of Commissioners held a public hearing on December 14, 2005 on ODOT 2008-2011 STIP modernization projects and commented to ODOT on projects through adoption of Order 05-12-14-16; and

WHEREAS, the Board of Commissioners held a public hearing on April 26, 2006 on the Region 2 modernization proposal for the 2008-2011 STIP; and

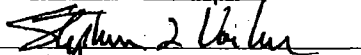
WHEREAS, the Board wishes to endorse the Region 2 proposal, now, therefore, it is hereby

ORDERED that a comment letter in substantial conformance to the letter attached herein as Exhibit A be sent to the ODOT Region 2 Planning Manager for consideration.

Dated this 26th day of April, 2006.



 Bill Dwyer, Chair
 Lane County Board of Commissioners

APPROVED AS TO FORM
 Date 4-19-2006 Lane County


 OFFICE OF LEGAL COUNSEL



Lane County Board of Commissioners

Bill Dwyer
Bobby Green, Sr.
Faye Hills Stewart
Anna Morrison
Peter Sorenson

April 27, 2006

Mr. Eric Havig, Planning and Development Manager
Oregon Department of Transportation
Region 2 Headquarters
455 Airport Road SE, Building B
Salem, OR 97301

Dear Mr. Havig,

Thank you for the opportunity to review the draft ODOT Region 2 Modernization straw proposal as mailed with Mr. Scheick's letter of February 16, 2006. The Lane County Board of Commissioners held a public hearing today and discussed the Region 2 proposal for the 2008-2011 Statewide Transportation Improvement Program (STIP).

Of course, Lane County would like to see more funding for the projects in Lane County and around the region. However, given the limited amount of Modernization funding available statewide and for Region 2, this proposal is a reasonable allocation strategy in our view.

Lane County is in support of this proposal. We look forward to working with our regional partners on ODOT STIP projects in the future.

Sincerely,


Bill Dwyer

Chair



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation
Region 2 Headquarters
455 Airport Road SE Building B
Salem, Oregon 97301-5395
Telephone (503) 986-2600
Fax (503) 986-2630

February 16, 2006

Region 2 ACT Chairs, Vice Chairs and Commissioners

Lylla Gaebel	NWACT Chairperson
Shirley Kalkhoven	NWACT Vice Chairperson
Richard Bjelland	MWACT Chairperson
Ken Woods	MWACT Vice Chairperson
Roger Nyquist	CWACT Chairperson
Don Lindly	CWACT Vice Chairperson
Bobby Green	Lane County Commissioner
Anna Morrison	Lane County Commissioner

Subject: Region 2 Modernization Straw Proposal of Priority Projects for 2008-2011

Dear Region 2 ACT Chairs, Vice Chairs, and Commissioners:

Attached is the Region 2 Modernization Straw Proposal for your review, consideration and comment. As per our ACT Modernization Process, Region 2 has prepared this proposal based upon your priority setting efforts from last year. This proposal tries to fund your top priority projects while trying to also provide significant funds to projects for construction (CSTIP).

In accordance with the ACT Modernization Process, I am requesting that your ACT/Lane County review this proposal and provide comments back to the Region by May 5, 2006. This will allow the Region to make final adjustments that will be sent back to you at least 2 - 3 weeks prior to the All Area Meeting which will be scheduled for early June 2006. Please send your comments in writing to Erik Havig, the Region 2 Planning and Development Manager. I am hopeful that this advance work will result in a simplified and streamlined All Area Meeting.

We will be setting the date for the All Area Meeting soon. Thank you again for your participation and assistance in developing a strong Modernization program for our Region.

Sincerely,

Jeff Scheick

cc: Erik Havig, Region 2 Planning and Development Manager
Mike Long, Region 2 Project Delivery Manager
Carole Richardson, Area 1 Manager
Tony Snyder, Area 3 Manager
Vivian Payne, Area 4 Manager
Jane Lee, Area 5 Manager

Region 2
2008-11 Modernization Project Funding Proposal

Area 1 - NWACT		Area 3 - MWACT		Area 4 - CWACT		Area 5 - Lane County	
Project	Proposed Funding (millions)	Project	Proposed Funding (millions)	Project	Proposed Funding (millions)	Project	Proposed Funding (millions)
<i>US 101 - Manzanita Realignment</i>	\$ 3.00	<i>Newberg-Dundee Transportation Improvement Program</i>	\$ 7.00	<i>I-5/So. Jefferson to OR 34 EIS</i>	\$ 2.00	<i>I-5/Bettline Interchange</i>	\$ 3.50
<i>US 101/OR 6 Intersection Planning</i>	\$ 1.30	<i>OR 22/Joseph Street to Stayton Phase 3</i>	\$ 4.40	<i>Van Buren Street Bridge</i>	\$ 5.50	<i>I-5/Coburg Interchange</i>	\$ 6.20
<i>US 101/Camp Rilea to Surf Pines Road Passing Lanes</i>	\$ 0.50	<i>I-5/Woodburn Interchange</i>	\$ 2.00	<i>US 101/32nd Street Signal</i>	\$ 5.00	<i>Bettline @ Coburg Road</i>	\$ 2.20
		<i>OR 22/OR51 Phases 1 and 2 Improvements</i>	\$ 2.40			<i>Bettline/River Road to Coburg EIS</i>	\$ 1.50
						<i>OR126 Portarf - Notl Environmental study</i>	\$0.50
TOTAL	\$ 4.80	TOTAL	\$ 15.80	TOTAL	\$ 12.50	TOTAL	\$ 13.90

Bold - CSTIP Project
Italics - DSTIP Project

Dollar Volume CSTIP \$23.70
Dollar Volume DSTIP \$23.30

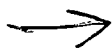
southbound Interstate 5 continues to be the busiest Green Light site. Well over half of all trucks approaching that site are transponder-equipped and 54% get a green light to proceed.

- The House Interim Committee on Transportation met on January 10. ODOT staff delivered about four hours of testimony. Issues touched on included the Oregon Transportation Investment Acts (OTIAs), OTIA family programs, and project delivery; *ConnectOregon* and Innovative Partnerships Programs; SAFETEA-LU; and the Federal Driver License Real ID Act and State Biometric Requirements. All-in-all, it went very well. In addition, Jon Oshel of the Association of Oregon Counties, Jessica Harris Adamson of the Associated General Contractors of Oregon, and Dwight Hardin from the American Council of Engineering Companies, testified as to the strong, healthy relationship they have with ODOT.
- Mike Wolfe and Acting Director Garrett attended an ACEC (American Council of Engineering Companies) awards dinner on January 11. ODOT and its consultant, KPFF Consulting Engineers, received recognition for the Cape Creek Tunnel Restoration project on Highway 101 near Florence. KPFF restored the tunnel under the difficult challenge of keeping it open to traffic.
- Joan Plank was named ODOT Chief of Staff. Ms. Plank has been with ODOT for 30 years and highly regarded for her integrity and character. She will do a great job in the Chief of Staff position.

The Commission pointed out that damage to Interstate 5 at the Siskiyou Pass was not caused by slides but by debris flows that came down the canyon. In addition to the debris damage, there was several million dollars of damage done to the drainage system that is still an issue.

Acting Director Garrett agreed and advised that weather forecasts are troublesome at this point. He recognized maintenance forces have worked long hours for almost a month and the need to make sure crews remember safety comes first.

Commission members expressed their appreciation also to the employees who are putting in long hours to address the weather-related problems and asked that message be communicated to them.



Craig Greenleaf provided information on the amendment of the Oregon Highway Plan, Actions 2A.4 and 2A.7 regarding contributions to major highway improvements. (*Background material in General Files, Salem.*)

As a result of testimony received in December, plan language was revised to:

- More clearly separate the relationships between private and public interests.
- Separate the public-private interests in recognizing the partnership and consultation relationship with local government.
- Recognize financial capacity amongst local governments varies across the state.
- Choosing simpler but more explicit language that clarifies when comprehensive plans, interchange management plans or zoning changes are made that intensify use, that is the activation point for this policy implication.
- Language on the private side was edited to indicate broader applicability, beyond interchanges to major highway projects.

The revised language is reflected in the following proposed action:

PROPOSED ACTION 2A.6
<p>ACTION 2A.4 <i>(requires the renumbering of Actions 2A.4 to 2A.5 and 2A.5 to 2A.6)</i></p> <p>Consult with local and regional government(s) regarding the potential for local participation on major modernization projects considered for inclusion in the STIP. Local participation shall consider the size and financial capabilities of the jurisdiction(s). Participation may include but is not limited to contributions to funding, in-kind services and materials, improvements to local street circulation that support the state highway, benefits to non-auto modes, land use actions and other enhancements.</p> <p>When major improvements to or replacement of an interchange are necessary, work in partnership with local and regional government(s) regarding financial participation, right-of-way contributions, and other enhancements. These partnerships are of particular importance when amendments are proposed to acknowledged comprehensive plans, interchange management plans are adopted or changes in zoning increase the intensity of development.</p> <p>ACTION 2A.7</p> <p>Negotiate with the private sector to leverage funds, right-of-way contributions, or off-system improvements when major highway improvements benefit specific properties planned for development, where changes are proposed or have occurred to the relevant comprehensive plan or where development has occurred or will occur that necessitate major highway improvements.</p>

Mr. Greenleaf advised that letters of support have been received from the City of Springfield and the Association of Oregon Counties, reflecting their support for the revised language. He stated the proposed language remains consistent with the approved STIP criteria, which speaks to the issue of leverage and how that leverage should work, and it is consistent with language contained in the Oregon Transportation Plan.

Art Schlack stated for the record the Association of Oregon Counties (AOC) appreciation of staff's work to develop language that met AOC's needs as well as ODOT's and the OTC's regarding cost-sharing infrastructure.

Commissioner Achterman moved to approve the Oregon Highway Plan amendment as set forth above. The motion passed unanimously.

The Commission thanked staff for their efforts resulting in an excellent product and a policy in place to implement these partnering discussions.



Jay Waldron, Port of Portland Commission President; David Bragdon, Metro Council President; and Steve Clark of the Portland Business Alliance, provided a briefing on the "Cost of Congestion to the Economy of the Portland Region." The report was prepared for the Portland Business Alliance, Metro, the Port of Portland, and the Oregon Department of Transportation by the Economic Development Research Group of Boston, Massachusetts. (*Background material and powerpoint presentation in General Files, Salem.*)

The study shows that failure to invest in the Portland region's transportation system will cost the region 6,500 jobs and \$844 million annually by 2025. The report suggests these impacts can be avoided through strategic transportation investments, which could return more than twice their value to the regional economy. (This report is available on-line at the Metro website: <http://www.metro-region.org/>.)

Mr. Waldron commented on the importance of the report findings and the need for a statewide discussion. He urged the Oregon Transportation Commission to support a statewide public-private partnership that would involve the business community that would demonstrate how the information contained in the study affects cities throughout Oregon.

Steve Clark emphasized that it is the right time to invest in strategic communications and public-business involvement strategies that link transportation systems and improvements, programs, investments, structures, economy and communities. He advised the business community is committed to help educate, to lead, to partner and to invest.

David Bragdon commented that participating in this study was a good experience. Obstacles the study helps overcome are: the inter-dependence that exists in the commercial world; the lack of orientation in the decision-making process; and what revenue might be. Next steps include an update of the regional transportation plan, and realistically budgeting for outcomes.

The Commission requested that as Metro, the business community, and Port of Portland submit comments on the Oregon Transportation Plan (OTP) revision, the