

AGENDA COVER MEMO

W. 17. b.

DATE: May 3, 2006
TO: Lane County Board of Commissioners
DEPT.: Public Works
PRESENTED BY: Tom Stinchfield, Transportation Planning Engineer
AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER _____/IN THE MATTER OF ADOPTING THE PUBLIC WORKS FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FY 06/07 - FY 10/11.

I. MOTION

MOVE APPROVAL OF BOARD ORDER ADOPTING THE FY 06/07 - FY 10/11 PUBLIC WORKS FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.

II. ISSUE OR PROBLEM

This is the annual update of the Public Works five-year Capital Improvement Program (CIP), which allocates road funds for capital projects, including right-of-way acquisition, general road construction, pavement preservation, bridge construction, safety projects and payments to other government agencies.

III. DISCUSSION

A. Background

Staff submitted a draft of the FY 06/07 - FY 10/11 Department of Public Works Capital Improvement Program (CIP) to the Roads Advisory Committee (RAC) at its January 25, 2006 meeting. The Committee released the draft for public review, and held a public hearing on February 22, 2006. At its April 5, 2006 meeting, the RAC considered public testimony and staff recommendations, and approved a revised program for consideration by the Board. This is shown in Exhibit A to the attached Order.

B. Analysis

The staff memo to the RAC dated January 25, 2006 (Attachment 1) highlighted how the draft 07-11 CIP was prepared. Some of that information is highlighted here as an overview of the program. The CIP tables once again reflect a projected decrease in funding for the five-year program compared to historic levels. The Public Works Director has discussed the status of the County Road Fund with the Board previously, so you are familiar with the revenue issues the Public Works Department faces. The draft is based on the best financial information available.

Overview of the Program

The 5-year total CIP program has decreased from \$107 million in 05-09, to \$59 million for the 06-10 program adopted last May, and now is proposed to be \$47.5 million for the 07-11 5-year cycle. Further reductions in the CIP or other programs will be necessary if reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000 does not occur at the current funding level. Even with reauthorization at current levels, the Department faces budget problems related to flat revenues and increasing costs. More specific information will be presented to the Board during the budget process in May.

The draft continues to show elimination of the \$2.5 million County City Road Partnership payments after FY 06-07. The Community Development Road Improvement Assistance Program also remains unfunded as was presented last year. It is no longer shown as a category in the Summary Tables. Overlays and Pavement Rehabilitation and Covered Bridge Rehabilitation projects have been placed under a new category entitled Preservation/Rehabilitation Funds.

The base categories of Safety Improvements and Fish Passage Projects show a single allocation in FY 07-08 instead of a uniform series for all five years of the program. This allocation represents a set aside amount that can be anticipated for future projects and allows Public Works and partner agencies to plan for and/or request funds as projects become imminent.

The Executive Summary tables in the draft program (See Exhibit A) show the draft 5-year program at about the \$47 million level. The 5-year net County CIP cost is just over \$39 million, with the balance of around \$8 million representing project specific revenues and grants that are anticipated. The net Road Fund amount of \$39 million was based on the cash flow information given by the Public Works Director, and represents having a minimum year end fund balance of around \$9 million for cash flow purposes. This reserve provides cash flow for the six-month period between the beginning of the fiscal year and November when federal timber payments are received. The following highlights are noted for the Board:

- The last year of the draft program (FY 10-11) contains no capital projects, other than \$3 million in preservation funds and a \$250,000 allocation in the Assisted Housing Fund.
- Engineering staff cuts of \$2 million are planned for FY 06-08 to balance staffing levels with overall project levels.
- The pavement preservation line item to repair roads is flat at \$3 million per year even while unit costs rise each year.
- Staff is recommending greater emphasis on projects that score high in readiness and that offer funding leverage to County road funds.
- Staff is recommending bringing back the "Projects for Development" category to list staff recommendations for priority projects if additional funds become available, either through grant opportunities, new revenues, or reductions in other expenditures.

Prioritization Matrix

As with the 06-10 CIP, this year's CIP used prioritization factors in identifying key merits for each potential project. The prioritization factors were used to compare the relative merit of individual projects. These ratings are used to help identify the highest benefit projects for inclusion in the CIP. Attachment 2 contains the details provided to the public and the RAC prior to the RAC public hearing. Staff has modified the ratings slightly for the Bolton Hill project (shown in Projects for Development) at the request of the City of Veneta (see discussion below under testimony).

Summary of Testimony on Projects and RAC Recommendation

The minutes of the RAC February 22, 2006 public hearing are Attachment 3. Attachment 4 contains the written testimony submitted to the committee. Attachment 5 is the staff memo from the April 5, 2006 RAC meeting. Attachment 6 contains the draft minutes from the RAC meeting. The recommendation of the RAC is attached as Exhibit A to the Board Order. The program, as recommended by the RAC at their April 5 meeting, contains a few additions and adjustments. These changes did not change the overall cost of the program and are detailed in the April 5 RAC Memo (Attachment 5).

1. County City Road Partnership

The draft CIP shows FY 06-07 as the last year these payments are funded, based on the termination date of the Intergovernmental Agreements now in place. City representatives from

Eugene, Junction City, Creswell, Cottage Grove and Springfield all testified to the committee expressing concern about termination of this program.

RAC Recommendation: No change. Staff and the RAC recognize that the termination of the IGAs for this program is a Board decision that was made last year in the adopted CIP and that this important decision rests with the Board. Refunding this program will require offsetting reductions elsewhere in the CIP.

2. Delta/Beltline Interchange

The most significant change to the project list in the draft CIP was dropping the \$8,200,000 allocation in General Construction funds for the Delta/Beltline Interchange. This project was moved to Projects for Development. The draft contains a new Safety Fund allocation of \$1,100,000 for Delta/Beltline Operations. These funds could be used for minor improvements, such as traffic signals, ramp meters or other ramp alterations not yet identified. These funds could also match funds from ODOT or other sources. Staff made this recommendation after considering the total amount of General Construction funds available. The draft CIP includes only five projects in the General Construction Category totaling \$15,735,000. Other considerations include the difficulty in developing and getting approval to widen the Delta Highway bridge over Beltline and modifications of the freeway ramps without accompanying improvements to Beltline Highway, an ODOT facility.

Testimony at the hearing from the City of Eugene, the Cal Young Neighborhood Association, the owners of the Riveridge Golf Course, and the McKenzie-Willamette Medical Center asked that the funding for Delta/Beltline Interchange be re-instated in the program. The City of Eugene asked that we take a careful look at the assumptions in our cash flow analysis to see if we could find a way to refund partnership payments to the cities and to find additional funds for Delta/Beltline. The City testified that the \$8,200,000 is an important incentive in working with ODOT or others to put together a funding package for the Beltline in general. Staff has done an update on the cash flow forecasts as requested and has not found funds to refund the project. Refunding of the Delta/Beltline Interchange would have to be offset by reductions in other projects or programs. The City of Eugene suggested that we reconsider the priority of the Beaver Street/Hunsaker Lane project or the Irving Rail Crossing Improvement (leveraged with federal rail safety funds).

RAC Recommendation: No change. The committee asked for some background information on the concept for the Delta/Beltline project. Attached (see end of Attachment 5, April 5th RAC memo) is a summary of the project that hits the highlights of the proposal presented in 2000 and shows maps of the traffic signal and roundabout alternatives. You will see that it modifies Delta Highway, improves ramp terminals and ramp configurations, but does not address Beltline Highway problems directly. The committee supported the staff recommendation on Delta/Beltline and directed staff to again explain the reasons for this difficult decision.

3. Harvey Road – Creswell:

The City of Creswell testified in support of the Harvey Road improvements, which are included in the draft CIP at \$1,650,000 for construction. County staff and the city have developed a strategy to complete needed urban improvements on this urban major collector in the north side of Creswell. Public testimony support for the project was also given by the Creswell School District, as they are in support for safety improvements on Harvey Road, an important walking and commuting route for school age children. As part of the funding package, Creswell will provide local matching dollars including contributions from developers. At this time we are assuming that around \$250,000 will be matched. An Intergovernmental Agreement with the City will be required identifying the exact funding package before the project goes into the design stage. The city will then take jurisdiction of the roadway once these improvements are constructed. No changes in the CIP were proposed.

4. Laura Street – Springfield:

A resident along Laura Street provided testimony similar to last year, in support of an overall urban construction project. However, until an urban reconstruction project can be funded, he

would like to see improved pedestrian access features constructed on the east side of Laura Street. County staff has been reviewing this and discussing the eastside shoulder widening with the City of Springfield. The City of Springfield staff has also indicated a willingness to continue to work toward a funding package that will allow a cost sharing in the urban infill project of Laura Street. They agree with having the project listed in the "Projects for Development" category.

RAC Recommendation: No change to the CIP. The committee agreed with the staff proposal to work with the City of Springfield to provide a shoulder widening on the east side of the road prior to June 1, 2006. This date is when additional detour traffic from the MLK Roundabout construction project will be using Laura Street as an alternative access.

5. High Pass Road – Junction City: River Road (1st Ave) and Prairie Road project.

In their written testimony, the City of Junction City indicated a desire to have the project scope for High Pass Road expanded to include River Road on the other side of Highway 99. Staff does not recommend this additional scope expansion on the project. Lane County has contributed recently to this intersection and a portion of River Road in conjunction with required improvements by Country Coach. Additional development by Country Coach may also likely require urban street improvements on River Road. These factors, along with limited road fund dollars, are reasons to not expand the project scope.

Additional testimony was provided by Junction City to request Lane County engineering assistance on Prairie Road, Bailey Lane to High Pass Road. This section of road will be surrendered to Junction City, but they are requesting design and construction engineering assistance from the County. They will be paying for the construction of the road through local developer contributions and system development charges, and the final financial package may include a local improvement district assessment to area residents.

RAC Recommendation: Add Prairie Road to General Construction in the CIP. The committee approved the staff recommendation to list Prairie Road in the CIP with a footnote explaining that the project would be funded by Junction City and the county contribution would be engineering services.

6. Bolton Hill – Veneta:

The City Administrator submitted a letter asking for more priority on Bolton Hill Road in the rating matrix. The letter suggested a city contribution of \$360,000 to the project and also expressed the city's willingness to take jurisdiction of the improved road. Our TSP shows this project at \$1,800,000. Bolton Hill Road rates very similarly to other urban streets that are in the funded program, primarily Harvey Road, High Pass Road, and Beaver Street. We have rated these projects the same in terms of bicycle and pedestrian benefit. We have modified the priority matrix, adding a point in the Leverage criteria to reflect the city's contribution to the construction cost. Staff believes that Bolton Hill Road is a project worthy of funding. However, we do not have the funds available to fund it now and do not recommend removing any of the other projects in the funded program.

RAC Recommendation: No change. Bolton Hill Road remains on the Projects for Development list.

7. Deerhorn Road:

Requests were made from concerned residents that the gravel section of Deerhorn Road be paved. There were also comments about the need for additional enforcement, speed zones, and redesign of the road. Staff recommended that we respond to the request for paving and make a commitment in that regard. We do not recommend that we promise additional traffic enforcement, de-icing activities, or redesign of the road as a capital project. The Lane County Road Maintenance Section sent a letter the week of March 27th outlining their commitment to plan for a chip-seal pavement for this road. The request by the area residents has been to chip-seal this road as soon as possible. However, the recent winter storm damage in Lane County, especially on the coast, has impacted our ability to deliver chip-seal projects and the preparation work necessary before chip-seals. There is a list of chip-seal roads for 2006 and 2007. We

have moved some paving activity on lower volume CIP projects to the chip-seal crew to control costs, including Bernhardt Heights Road, West Boundary Road, and Frank Parrish Road. Therefore, the earliest Deerhorn Road would be paved would be in the summer of 2008.

RAC Recommendation: No change to the CIP. The committee agreed with the plan to pave the existing road with county forces.

C. Options

1. Adopt the Board Order with Exhibit A.
2. Adopt the Board Order with modifications to Exhibit A

D. Recommendations

Option 1.

E. Timing

Oregon budget law requires adoption of the CIP at least 30 days prior to adoption of the County budget. The County Budget is scheduled for adoption on June 21, 2006. The Board can take action today or defer action until the May 17, 2006 meeting if more time is needed.

IV. IMPLEMENTATION/FOLLOW-UP

Staff will return to the Board for various decisions and actions on individual projects in the adopted CIP as they move through the public hearing and implementation processes.

V. ATTACHMENTS

Board Order - IN THE MATTER OF ADOPTING THE PUBLIC WORKS FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FY 06/07 - FY 10/11.

Exhibit A - Draft 07-11 CIP (as recommended by the RAC)

Attachment 1 – RAC MEMO – January 25, 2006 Draft 07-11 CIP Release

Attachment 2 – CIP Public Hearing Notice January 26, 2006 and Information Packet

Attachment 3 - MINUTES - RAC Public Hearing on February 22, 2006

Attachment 4 - WRITTEN PUBLIC TESTIMONY February 22, 2006 RAC

Attachment 5– RAC MEMO – April 5, 2006 CIP Changes and Response to Public Testimony

Attachment 6- DRAFT MINUTES - RAC meeting on April 5,2006

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER NO.

) IN THE MATTER OF ADOPTING THE PUBLIC
) WORKS FIVE-YEAR CAPITAL IMPROVEMENT
) PROGRAM FOR FY 06/07 - FY 10/11

WHEREAS, the Board of County Commissioners has adopted a process as outlined in Lane Manual 15.575 for annual review and development of a Five-Year Public Works Capital Improvement Program; and

WHEREAS, a recommended Five-Year Capital Improvement Program has been developed in keeping with that process, including staff analysis, citizen involvement, the conducting of a public hearing on February 22, 2006 by the Roads Advisory Committee, and deliberation and a recommendation on the Capital Improvement Program by the Roads Advisory Committee on April 5, 2006; and

WHEREAS, the Board of County Commissioners held a public hearing on May 3, 2006 on the recommended Public Works Five-Year Capital Improvement Program; and

WHEREAS, the Board of County Commissioners discussed and considered public testimony, staff analysis, and the recommendation of the Roads Advisory Committee; **NOW THEREFORE, BE IT**

ORDERED, that the FY 06/07 through FY 10/11 Department of Public Works Capital Improvement Program, as attached hereto as Exhibit A, be adopted; **AND, BE IT FURTHER**

ORDERED, that the County Administrator be delegated authority as described in LM 21.145 to execute contracts and agreements for any projects as attached hereto in Exhibit A; **AND, BE IT FURTHER**

ORDERED, that staff pursue all necessary actions to ensure timely construction of projects scheduled for FY 06/07; **AND, BE IT FURTHER**

ORDERED, that staff perform preliminary design activities, acquire right-of-way, prepare planning actions and permit applications necessary to ensure that projects scheduled for FY 06/07 through FY 10/11 remain on schedule; **AND, BE IT FURTHER**

ORDERED, that the cost of such actions and preparations, including any damages, be paid from the County Road Fund or in any manner permitted by law as authorized by the Department of Public Works or as further authorized by the Board of County Commissioners.

DATED this _____ day of May, 2006.

APPROVED AS TO FORM Date _____ Lane County _____ OFFICE OF LEGAL COUNSEL

Chair, Lane County Board of Commissioners

EXHIBIT A

Draft 07-11 CIP

(as recommended by the RAC)

2011 Capital Improvement Program

Lane County, Oregon
Fiscal Years 2006-2007 through 2010-2011

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LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

ADOPTION

The Roads Advisory Committee recommended the County Road Fund portion of the FY 2006-07 to 2010-11 Capital Improvement Program on **April 5, 2006**. The Board of County Commissioners adopted this program on **May 3, 2006**.

The FY 2006-07 project lists for the Engineering, Parks, Support Services, Waste Management Divisions, Fair Board, and the County Capital Improvements were adopted by the Board of County Commissioners on **May 3, 2006**.

BOARD OF COUNTY COMMISSIONERS

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Jody Ogle, Member-at-Large
Tom Poage, North Eugene
Rex Redmon, South Eugene

PUBLICATION

Capital Improvement Program report published by
Lane County Public Works Department,
Oliver P. Snowden, Public Works Director
Sonny P.A. Chickering, County Engineer
Thomas Stinchfield, Transportation Planning Engineer
Mike Pattle, CIP Coordinator

ADDITIONAL INFORMATION

Additional information on specific projects may be found on the Lane County CIP Web Site at www.lanecounty.org/Transportation_Planning/CIP.htm

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LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

INTRODUCTION

Lane County currently maintains 1444 miles of roads and 414 bridges. The maintenance and improvement of these investments are split into two categories of expenditures - Operations, Maintenance, & Preservation (OM&P) and Capital Improvement Projects.

Operations, Maintenance, & Preservation includes activities related to maintaining and repairing the road and bridge system, like surface and shoulder maintenance, drainage work, vegetation management, guardrail repair, signing, striping, pavement marking, and signal maintenance. Preservation activities like pavement overlays and chip seals extend the useful life of the pavement.

Capital Improvement Projects, include widening a facility to add shoulders, adding capacity, safety improvements, intersection improvements, bringing roads and bridges up to standards, and paving gravel roads. Capital Improvement projects are typically contracted to private firms, but Lane County Public Works/Engineering Division staff will usually perform associated planning, right-of-way and engineering work. Consultants assist for bridge design, geotechnical engineering and environmental studies.

In addition to the projects on County maintained facilities, capital expenditures include road partnership payments to Lane County cities, project specific payments to cities, the State or other quasi-governmental agencies and assisted housing grants to agencies. Significant changes have occurred in this document from past years as budget constraints have reduced the road partnership payments to cities and eliminated the community development road improvement fund.

The Capital Improvement Program (**CIP**) is a 5-year plan for capital improvements to Lane County's transportation network. In this 5-year plan a number of modernization projects identified in previous CIP cycles had to be cut so that the 07-11 Program would be fiscally representative of current budget projections. Goal 24, Policy 24-a in the Lane County Transportation System Plan (TSP) gives priority to preservation and maintenance (Core Program) of the County road and bridge system. As funding from the County Road Fund allows, "Enhanced and Assistance Programs" identified in Goal 24 of the TSP will be considered.

ROAD FUND

The County Road Fund finances both Operations, Maintenance, & Preservation (OM&P) and Capital Improvement (CIP) projects. The Road Fund is comprised of revenue from several sources. In fiscal year 2006-2007 the County anticipates receiving \$20,639,000 in Federal Timber Receipts, \$14,955,000 in State Highway User Taxes and Fees, \$705,000 in Federal Aid/Fund Exchange programs, \$1,010,000 in Investment Earnings, and \$4,400,000 from other miscellaneous sources. Tables 1-3 show estimated Road Fund revenues and expenses for the 5-year CIP and reflect the declining trend in the projected Road Fund balance.

State Highway User Taxes and Fees consist of state motor fuel taxes (currently 24 cents per gallon), state weight-mile taxes for heavy vehicles, motor vehicle registration fees, fines, licenses and other miscellaneous revenues. The fees and taxes collected are distributed to government agencies approximately as follows - 60% state, 24% counties, and 16% cities. The counties' portion is distributed to all counties based on each county's proportion of registered vehicles to the statewide total. The cities' portion is split amongst the cities

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

based on the ratio of each city's population to the total statewide population within cities. National Forest Receipts (Federal Timber Receipts in the table below) include revenue from timber sales, mineral leases, special user fees, grazing, agricultural and land leases and other miscellaneous sources. Federal law requires that 25% of all money received by the federal government from a national forest be paid to the state in which the forest is located. Revenues from the national forests are to be used for the benefit of public schools (25%) and public roads (75%) of the counties in which the forest is located.

In the early 1990's, restrictions on logging reduced timber harvests on national forest lands. This, in turn, created the prospect of significant revenue reductions for counties. Congress enacted legislation in the late 1990's that provided a guaranteed minimum payment in the event that actual receipts dropped below a predetermined level. This guarantee has been modified and extended under the Secure Rural Schools and Community Self-Determination Act of 2000, which expires September 30, 2006. Lane County and interested national organizations are actively seeking reauthorization of this legislation in the current federal budget process. **This CIP assumes continuation of the Timber Receipt legislation more or less at current levels.**

**Table 1: Projected FY 07-11
New Road Fund Revenue**

Revenue Source	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Federal Timber Receipts	20,639,000	20,949,000	21,263,000	21,582,000	21,906,000
State Hwy. Fund Transfer	14,955,000	15,464,000	15,551,000	15,707,000	15,864,000
STP Federal Funds	705,000	560,000	560,000	560,000	560,000
Investment Earnings	1,010,000	800,000	640,000	510,000	450,000
Other Revenues	4,400,000	3,000,000	3,000,000	3,000,000	3,000,000
Total New Revenue	41,709,000	40,773,000	41,014,000	41,359,000	41,780,000

Note: All estimates shown in this document are in year 2006 dollars and are based on continuation of the Timber Receipt legislation at current levels.

Total new revenues shown above may be compared to total expenses in Table 2. Capital expenses have been moderated by programming fewer capital improvement projects and eliminating certain CIP programs. The decrease in the capital program compared to historical levels resulted in corresponding plans for staff reductions beginning in FY 06-07. These reductions have been included in these tables. Even with these CIP program reductions, the Road Fund balance, as shown in Table 3, is spent down to a minimal level by FY 10-11.

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

**Table 2: Projected FY 07-11
Road Fund Expenditures**

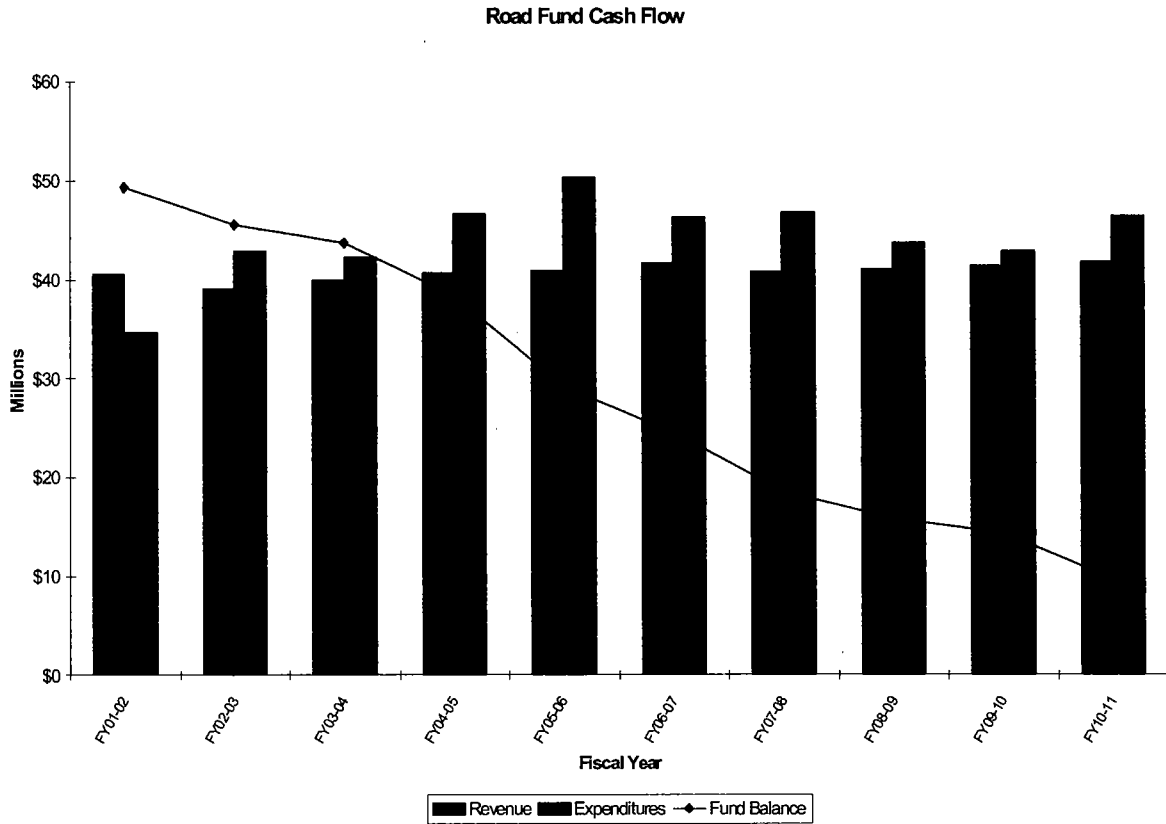
Expenses	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Operating Expense	34,760,000	34,869,000	35,907,000	37,517,000	38,867,000
Capital Expense	11,825,000	11,750,000	7,836,000	5,320,000	7,550,000
Total Expense	46,585,000	46,619,000	43,743,000	42,837,000	46,417,000

**Table 3: Projected Remaining
Fund Balance at Fiscal Year End**

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Beginning Reserve	29,170,000	24,294,000	18,448,000	15,719,000	14,241,000
New Revenue	41,709,000	40,773,000	41,014,000	41,359,000	41,780,000
Road Fund Resource Sub-Total	70,879,000	65,067,000	59,462,000	57,078,000	56,021,000
Total Road Fund Expenses	(46,585,000)	(46,619,000)	(43,743,000)	(42,837,000)	(46,417,000)
Road Fund Balance	24,294,000	18,448,000	15,719,000	14,241,000	9,604,000

The figure below is a Road Fund Cash Flow diagram showing the steady projected decline of the Road Fund Balance from FY01-02 to FY10-11. Historically and within the next five years, the Fund Balance is being used to support spending in excess of new revenues on behalf of past and future CIP projects, Intergovernmental Agreements, and local programs that benefit local cities and citizens. As the Road Fund reserve reaches the minimum level necessary to provide cash flow during the fiscal year, this trend cannot continue. Further reductions in operating expenses and capital programs will be necessary in the absence of revenue increases. Road Fund revenues, even with reauthorization of federal timber payments, are flat and increasing at less than the inflation rate. Recently, we have seen rapidly escalating costs for construction material that will increase the pressure on both the operating and capital budgets.

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM



OVERVIEW

As shown in Table 4, the total for the CIP is about \$48 million. Grant revenues reduce the net County CIP cost to about \$39.5 million. This represents about a \$59 million reduction from the 05-09 CIP and a continuing \$11 million decline from the 06-10 CIP adopted May 2005. There are no increases planned for the pavement fund even though material costs are increasing at a high rate. Payments to other agencies will total \$5,500,000 at the end of the 5-year CIP, but as an overall share of the road fund these payments have only slightly decreased from 14.4% to 10.2% compared to the 06-10 CIP. This includes 1 year of County City Road Payments, one year of OTIA III Pass-Through payments, and a federal match for the I-5/Coburg Interchange. The CIP also maintains the funding amount for the Roads for Assisted Housing Projects for a 5-year total of \$975,000. The County continues in its effort to replace priority fish passage culverts, but with reduced funding, a total of \$100,000 is programmed in this category. The Community Development Road Improvement Assistance fund and the Pedestrian and Bicycle Improvements fund will not be funded in this budget cycle.

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

Table 4: Program Totals by Category

PROGRAM TOTALS BY CATEGORY	'06-'10 CIP Previously Adopted		'07-'11 CIP new	
	Right-of-Way Acquisition	1,445,000	2.5%	1,287,500
General Construction	22,190,000	37.6%	15,735,000	33.1%
Structures	8,191,000	13.9%	5,789,000	12.2%
Pavement Fund	15,470,500	26.2%	15,300,000	32.2%
Safety Improvements	1,000,000	1.7%	2,900,000	6.1%
Contingency	0	0.0%	0	0.0%
SUBTOTAL - COUNTY PROJECTS	48,296,500	81.9%	41,011,500	86.2%
Payments to Other Government Agencies	8,500,000	14.4%	5,500,000	11.6%
Culvert Replacement for Fish Passage	950,000	1.6%	100,000	0.2%
Pedestrian/Bicycle Improvements	0	0.0%	0	0.0%
Community Development Fund	0	0.0%	0	0.0%
Roads for Assisted Housing Projects	1,225,000	2.1%	975,000	2.0%
SUBTOTAL - PAYMENTS & SPECIAL PROJECTS	10,675,000	18.1%	6,575,000	13.8%
TOTAL	58,971,500	100.0%	47,586,500	100.0%

Right-of-Way Acquisition

This program category lists cost estimates for right-of-way acquisition on projects shown within the CIP. Individual amounts are shown for most of the General Construction projects, however, these estimates are preliminary and subject to change based on final design of each project and individual circumstances of each acquisition. County acquisitions are based on appraisals of the land and improvements to be acquired and any associated compensable damages. The timing of these expenditures has been estimated in a fiscal year, but the actual payment schedule may vary.

General Construction

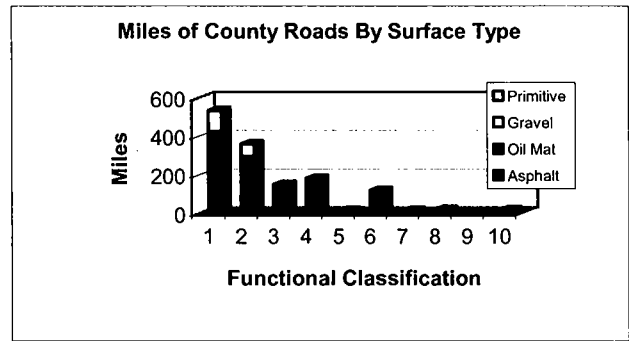
This program category lists the major road construction projects planned for the City and County road system. Excluding right-of-way costs, these projects represent almost 33% of the expenditures shown in the program. Projects normally entail modernization by complete reconstruction or significant improvements to the existing roadway.

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

Projects within the Eugene-Springfield metropolitan area are specified in the Eugene-Springfield Metropolitan Area Transportation Plan (TransPlan).

Projects outside the metropolitan area frequently come from Lane County's 784 miles of collector and arterial roads. Many of these roads do not meet modern geometric standards, have insufficient pavement structure for current traffic, or have hazardous locations.

For projects in the first year of the program, cost estimates are based on preliminary construction quantities since insufficient design work is available to produce detailed estimates. The balance of the projects have been estimated based on per-mile unit costs, which range from \$1,000,000 to \$1,500,000 for rural reconstruction projects, and from \$2,500,000 to \$3,500,000 for urban reconstruction projects depending on road width, drainage costs, and other project specific features.



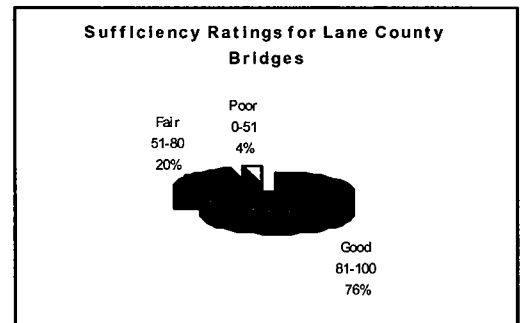
- 1 Rural Local
- 4 Rural Major Collector (Federal Aid)
- 6 Urban Local
- 8 Urban Minor Arterial
- 2 Rural Minor Collector
- 5 Rural Minor Arterial
- 7 Urban Minor Collector
- 9 Urban Principal Arterial
- 3 Rural Major Collector
- 10 Urban Major Collector

Structures

Lane County owns 414 bridges that are open to vehicular traffic. Of these, the CIP calls for improvement, replacement or construction of 5 bridges over the next five years. This program will continue with the replacement of structurally or functionally inadequate bridges, but it will not address seismic deficiencies in the remaining bridges.

Bridge Statistics

Bridge Construction Type	Quantity	Weight or Width Restricted
Concrete	3	5
Continuous Concrete	30	2
Steel	3	1
Continuous Steel	1	
Pre-stressed Concrete	355	9
Continuous Pres Concrete	6	
Wood	16	12
Totals	414	29



Of the 5 bridges being replaced, 3 have been awarded funding from the Oregon Transportation Investment Act of 2003 (OTIA III), and the remaining 2 have been awarded funding through the federal Highway Bridge Replacement and Rehabilitation (HBRR) program. The OTIA III funding provides full replacement cost while the HBRR funding requires a 10 percent local match. It is important to note that the OTIA or HBRR funding is often lower than actual repair or replacement costs.

Preservation/Rehabilitation Fund

The Pavement Rehabilitation section of the CIP remains at \$3,000,000 annually for pavement overlay and rehabilitation. These funds are programmed by County staff to respond to current pavement condition information and are needed to meet the priority of preserving and maintaining the existing road system. As a result of rising material costs the current

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programmed \$3,000,000 in the CIP may not keep up with pavement degradation and result in some service reduction. This category also included bridge rehabilitation and preservation funds, and covered bridge rehabilitation funds.

Safety Improvements

Safety improvement projects are intended to address problems at spot locations that do not require large reconstruction projects. Staff will recommend projects as locations are studied and identified. Generally, these projects will have low cost, small size, limited impact on adjacent properties, and relative ease of implementation. Partnering and other leveraged funding sources continues to be an important element in developing Safety Improvement Projects.

Payments and Matches to Other Agencies

The CIP Summary by Project Category shows \$5,500,000 projected payments to other government agencies in Lane County. \$2,500,000 of the total is under the County/City Road Partnership Program (formerly Urban Transition) and \$500,000 is shown in the OTIA III Pass-Through Program. The amounts shown in the CIP document are estimates of future payments based on current policies and agreements.

The remaining \$2,500,000 represents matching funds for the I-5/Coburg Interchange project. Projects that are not proposed to be let by the County are listed here as payments to respective agencies.

Fish Passage Projects

The Oregon Department of Fish and Wildlife (ODFW) has identified nearly 300 culverts under Lane County roads that the Department believes impede Coho or Chinook salmon passage at some stage in their lifecycle. The establishment of this fund is intended to dedicate Road Fund resources to replace culverts that are low or medium priorities from a road perspective, but are high priorities from an ODFW or resource agency perspective. We have completed over 45 culverts since 2000 and continue to address priority culverts in cooperation with Lane County Watershed Councils.

Projects for Development

The development category are projects that were once part of a CIP plan, as funding became critical it was decided to place them in a Development Category so staff could continue with future planning. When funding becomes available these projects will compete for adoption and placement into the five year CIP.

Pedestrian/Bicycle Improvements

This program is no longer shown in the Executive Summary Tables for lack of funding.

County Road Fund Expenditures Within Cities

Table 5 shows the Road Fund amount that has been allocated to local cities. Over \$156,000,000 has been contributed to various city projects and programs since FY 85-86. The table assumes County/City Road Partnership (CCRP) payments through FY 06-07 and OTIA III through FY 06-07. These payments are approximate and may change with mileage, population, or formula revisions. In addition, the OTIA III column shows the payments made through August 2004, with the exception of Cottage Grove and Oakridge. These cities have not signed agreements and have not been paid. Those amounts are shown in the Additional

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Committed column along with April 2005 OTIA III payments for all cities.

**Table 5: County Road Fund Expenditures within Cities
FY 85-86 through FY 04-05 (April 1, 2005)**

City	CCRP	OTIA III	All Projects	Total Expenditures	Additional Committed	Grand Total
Coburg	\$ 987,752	\$ 14,038	\$ 4,542,371	\$ 5,544,161	\$ 2,661,496	\$ 8,205,657
Cottage Grove	\$ 3,138,825	\$ -	\$ 3,502,202	\$ 6,641,028	\$ 504,176	\$ 7,145,204
Creswell	\$ 1,102,514	\$ 21,015	\$ 387,231	\$ 1,510,760	\$ 569,230	\$ 2,079,990
Dunes City	\$ 1,283,655	\$ 15,209	\$ 3,489,895	\$ 4,788,760	\$ 772,018	\$ 5,560,778
Eugene	\$ 34,221,854	\$ 437,723	\$ 35,374,863	\$ 70,034,439	\$ 3,402,496	\$ 73,436,935
Florence	\$ 2,843,143	\$ 34,308	\$ 2,213,574	\$ 5,091,025	\$ 304,585	\$ 5,395,610
Junction City	\$ 1,633,167	\$ 23,871	\$ 1,011,394	\$ 2,668,432	\$ 2,620,648	\$ 5,289,080
Lowell	\$ 704,079	\$ 11,076	\$ 1,103,733	\$ 1,818,889	\$ 596,033	\$ 2,414,922
Oakridge	\$ 1,724,999	\$ -	\$ 1,284,855	\$ 3,009,854	\$ 1,043,253	\$ 4,053,107
Springfield	\$ 13,240,066	\$ 173,308	\$ 15,903,816	\$ 29,317,190	\$ 9,075,972	\$ 38,393,162
Veneta	\$ 1,975,433	\$ 23,010	\$ 1,157,508	\$ 3,155,951	\$ 653,504	\$ 3,809,455
Westfir	\$ 495,156	\$ 8,311	\$ 153,089	\$ 656,556	\$ 100,162	\$ 756,718
Grand Total	\$ 63,350,645	\$ 761,869	\$ 70,124,530	\$ 134,237,044	\$ 22,303,573	\$ 156,540,617

CIP PROCESS

1. Draft CIP Prepared by Staff.

The CIP process begins each fall with a staff evaluation of the previously adopted CIP program. Normally, projects in the first fiscal year of the program will have been completed or are under construction by this time. Funds for these projects are encumbered by construction contracts and need not be repeated in the program.

A similar approach to last year to preparing this CIP was taken given the Road Fund analysis discussed earlier in the document. To arrive at the scheduled projects in the draft CIP, staff began with a blank 5-year program and built it up based on an estimated \$40 million in County funding available for the CIP. The following paragraph describes how staff developed the 07-11 program.

A Project Prioritization Matrix was developed that enabled staff to compare the relative merits of project candidates. Each project was rated on 11 different prioritization factors (e.g. safety), and this was used to help identify the highest benefit projects for inclusion in the CIP. To further provide project level information to the general public and decision-makers, individual project information sheets were created. These provide an image of the existing road, a vicinity map, describe the problem and proposed solution, and provide other available data. The information sheets for projects in the CIP are available on the Lane County CIP website at: www.lanecounty.org/Transportation_Planning/CIP.htm

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As new projects are considered, one of the primary sources for candidate projects is the Lane County Transportation System Plan (TSP). The TSP contains a list of projects, identified through a needs assessment, for the next 20-year planning horizon.

2. Roads Advisory Committee Public Hearing and Recommendation to the Board.

The Roads Advisory Committee held a CIP public hearing on February 22, 2006. The Committee is a citizens advisory group that makes recommendations on the program and other road issues to the Board of County Commissioners. Using testimony from the public and information provided by staff, the Roads Advisory Committee recommended a revised draft CIP to the Board on April 5, 2006.

3. Board of County Commissioners Public Hearing and Adoption.

On May 3, 2006, the Board of Commissioners held a public hearing on the draft CIP as recommended by the Roads Advisory Committee. The Board considered public testimony and adopted a final version of the 07-11 CIP on the same date.

4. Additions/Deletions to the CIP.

Projects may be added or deleted at any point in the process described above. Changes proposed by the public, County staff, or Roads Advisory Committee is advisory to the Board of Commissioners. The Board has final approval authority for the CIP and expenditure of County Road Funds. The Board may also modify the CIP by adoption of a Board Order during the year as necessary. In general, projects are added to the fourth or fifth year of the program. Most projects take four years from initiation of preliminary engineering work to construction. Addition of projects into the first three years of the program will usually require delay of other projects.

Summary Tables

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	5 YR Total
ANNUAL TOTALS BY CATEGORY						
RIGHT-OF-WAY	522,500	165,000	100,000	500,000	0	1,287,500
GENERAL CONSTRUCTION	8,085,000	1,650,000	1,000,000	5,000,000	0	15,735,000
STRUCTURES	2,461,000	0	3,328,398	0	0	5,789,398
PRESERVATION/REHABILITATION FUNDS	3,000,000	3,300,000	3,000,000	3,000,000	3,000,000	15,300,000
SAFETY IMPROVEMENTS	0	1,800,000	1,100,000	0	0	2,900,000
<u>SUBTOTAL COUNTY PROJECTS</u>	<u>14,068,500</u>	<u>6,915,000</u>	<u>8,528,398</u>	<u>8,500,000</u>	<u>3,000,000</u>	<u>41,011,898</u>
PAYMENTS AND MATCHES TO OTHER AGENCIES	3,000,000	0	2,500,000	0	0	5,500,000
FISH PASSAGE PROJECTS	50,000	50,000	0	0	0	100,000
ROADS FOR ASSISTED HOUSING PROJECTS	225,000	250,000	250,000	0	250,000	975,000
<u>SUBTOTAL-PAYMENTS & SPECIAL PROJECTS</u>	<u>3,275,000</u>	<u>300,000</u>	<u>2,750,000</u>	<u>0</u>	<u>250,000</u>	<u>6,575,000</u>
Annual CIP	17,343,500	7,215,000	11,278,398	8,500,000	3,250,000	47,586,898
Project Specific Revenue / Grants	2,461,000	1,600,000	4,062,274	0	0	8,123,274
Net County CIP Cost	14,882,500	5,615,000	7,216,124	8,500,000	3,250,000	39,463,624

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CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
RIGHT OF WAY ¹					
Beaver Street/Hunsaker Lane ²				300,000	
Harvey Road, Hillegas to UGB ³		165,000			
High Pass Road ⁴				200,000	
Jasper Road Extension, South 57th to Jasper Rd	137,500				
Marcola Road, Wendling to Johnson Rd ⁵	385,000				
Prairie Road, Bailey Lane to High Pass Rd ⁷			100,000		
TOTAL	522,500	165,000	100,000	500,000	0

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
GENERAL CONSTRUCTION					
Beaver Street/Hunsaker Lane ²				3,000,000	
Harvey Road, Hillegas to UGB ³		1,650,000			
High Pass Road ⁴				2,000,000	
Jasper Road Extension, South 57th to Jasper Rd	3,850,000				
Jasper Road Extension Environmental Mitigation ⁶	385,000				
Marcola Road, Wendling to Johnson (mp 11.49-16.08) ⁵	3,850,000				
Prairie Road, Bailey Lane to High Pass Rd ⁷			1,000,000		
TOTAL	8,085,000	1,650,000	1,000,000	5,000,000	0

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
STRUCTURES					
Brice Creek, mp 3.31 (HBRR) ⁸			1,791,457		
London Road, mp 8.73 (OTIA III) ⁹	896,000				
London Road, mp 11.25 (OTIA III) ⁹	782,000				
London Road, mp 13.01 (OTIA III) ⁹	783,000				
Sharps Creek Road, mp 8.72 (HBRR) ⁸			1,536,941		
TOTAL	2,461,000	0	3,328,398	0	0

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
PRESERVATION/REHABILITATION FUNDS					
Overlays and Pavement Rehabilitation ¹⁰	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Bridge Rehabilitation and Preservation					
Covered Bridge Rehabilitation	0	300,000	0	0	0
TOTAL	3,000,000	3,300,000	3,000,000	3,000,000	3,000,000

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
SAFETY IMPROVEMENTS					
Safety Fund ¹¹		300,000			
Delta/Beltline Interchange Operations			1,100,000		
Irving Road at NW Expressway and UP Railroad Crossing ¹²		1,500,000			
TOTAL	0	1,800,000	1,100,000	0	0

LANE COUNTY PUBLIC WORKS CAPITAL IMPROVEMENT PROGRAM

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
PAYMENTS AND MATCHES TO OTHER AGENCIES					
County City Road Partnership Payments ¹³	2,500,000	0	0	0	0
OTIA III Pass-through Payments to Cities	500,000	0	0	0	0
I-5/Coburg Interchange ¹⁴			2,500,000		
TOTAL	3,000,000	0	2,500,000	0	0

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
FISH PASSAGE PROJECTS					
Fish Passage Project Fund ¹⁵		50,000			
Nelson Mountain Road (Knapp Creek) mp 5.8 - 5.9	50,000				
TOTAL	50,000	50,000			

CATEGORY	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
ROADS FOR ASSISTED HOUSING PROJECTS					
Assisted Housing Fund ¹⁶	75,000	250,000	250,000	0	250,000
Fern Glen Assisted Housing Project (Veneta) ¹⁷	150,000				
TOTAL	225,000	250,000	250,000	0	250,000

5 YR Total CIP	47,586,898
Project Specific Revenue / Grant	8,123,274
5 YR Net County CIP Cost	39,463,624

Projects for Development

CATEGORY	Estimate
PAYMENTS AND MATCHES TO OTHER AGENCIES	
- Delta/Beltline Interchange Match	Unknown
GENERAL CONSTRUCTION	
- Bolton Hill Road - Territorial Hwy. to Dogwood Ln.	\$1,800,000
- Green Hill Road - Royal Ave. to Clear Lake Rd.	\$4,400,000
- Laura Street - Scotts Glen to Lindale	\$900,000
- Royal Avenue - Terry St. to Green Hill Rd.	\$2,750,000
- Wilkes Drive - River Rd. to River Loop #1	\$3,000,000
STRUCTURES	
- Deadwood Cov. Bridge Roofing - Deadwood Lp Rd MP 0.307	\$100,000
- Parvin Covered Bridge - Parvin Rd MP 0.775	\$500,000
- Wendling Covered Bridge Roofing - Wendling Rd MP 3.535	\$100,000

NOTES

- 1) Right-of-way costs are approximate and based on anticipated right-of-way impacts that are not defined in the early stages of project development. These costs are subject to change as design concepts are refined.
- 2) Urban improvements to Beaver Street/Hunsaker Lane currently has no local match, but will likely include assessments to adjacent properties.
- 3) The City of Creswell has identified local matching dollars on Harvey Road including development contributions. City will take over jurisdiction of the road at the completion of the project.
- 4) High Pass Road urban improvements may also include major sanitary sewer improvements associated with grant money the City is applying for.
- 5) The road design concept on Marcola Road Phase III was approved in January of 2006 by Board Order 06-1-18-1.
- 6) Environmental mitigation for anticipated project impacts may include both on and off-site wetlands replacement, riparian stream bank vegetation and waterway erosion control measures, habitat restoration or enhancement, as well as storm water management measures throughout the new roadway corridor.
- 7) Total construction and right of way cost will be funded by the City of Junction City. The City has also committed to accepting this section of Prairie Road as a City Street. Lane County will provide design and construction engineering services at no cost to the City. Because the City is funding the project construction and right of way cost, \$1,100,000 is added to the Project Specific Revenue category in FY 08-09.
- 8) HBRR bridges have been awarded funds from the federal Highway Bridge Replacement and Rehabilitation program. The costs listed in the CIP are based on current ODOT project scoping for full bridge replacement. HBRR funding for projects in 2008 to 2011 require a local match of around 11 percent rather than the previous 20 percent.
- 9) These bridge replacements are funded by the Oregon Transportation Investment Act of 2003 (OTIA III) to the amount shown. The estimates shown in the table are the construction and construction engineering costs and do not include the preliminary engineering and right-of-way costs which will also be funded by OTIA III to the full amount.

- 10) These funds are programmed by County staff to respond to current pavement condition information and are needed to meet the priority of preserving and maintaining the existing road system.
- 11) Safety Improvements Fund. Staff will recommend projects as locations are studied and identified. These projects improve safety conditions and generally have low cost, small size, limited impact on adjacent properties, and relative ease of implementation.
- 12) An application for Federal ODOT Rail "Section 130" funds will be made. Lane County is proposing to provide up to \$450,000 toward the project.
- 13) The current County/City Road Partnership agreements expire at the end of FY 2006-2007. Continuation of this program is at the discretion of the Board of Commissioners.
- 14) The CIP programmed amount of \$2.5 million of County funds is a match for the requested federal earmark of around \$10 million. ODOT is indicating that the total project cost could be \$20 million or more.
- 15) This allocation represents a set aside amount that can be anticipated for future projects and allows Public Works and partner agencies to plan for and/or request funds as projects become imminent.
- 16) This funding is consistent with the last CIP cycle, and provides \$250,000 for the last year of the cycle. FY 09-10 funding is zero as this money paid for the West Town Housing project in FY 06.
- 17) St. Vincent De Paul is in the process of developing Fern Glen, an affordable housing project. \$150,000 of Road Fund eligible improvements programmed in FY 2006-2007 will be used to assist the Fern Glen affordable housing project.