

NOT AGENCY
BUSINESS

AGENDA COVER MEMO

DATE: May 12, 2004

TO: Lane County Board of Commissioners

DEPT: Public Works

PRESENTED BY: Oliver Snowden, Public Works Director

AGENDA ITEM TITLE: In the Matter of Amending Board Order Nos. 00-2-15-1 and 00-10-31-5 Authorizing the County Administrator to sign an Immediate Opportunity Fund (IOF) grant application related to the expansion of Country Coach manufacturing facility in Junction City and authorizing the County Administrator to execute agreements associated with the application

I. MOTION

Move adoption of the Board Order.

II. ISSUE OR PROBLEM

Should Lane County agree to provide up to \$250,000 from the County Road Fund as local match in order to secure the supplemental \$250,000 IOF Grant needed to complete the Highway 99/River Road/High Pass Road intersection project?

III. DISCUSSION

A. Background

On October 14, 1999, the City of Junction City approved a plan amendment for Country Coach, Inc. that brought 17.5 acres of land into the urban growth boundary and rezoned from agricultural to industrial use. A condition of that approval was the requirement that Country Coach mitigate future level-of-service problems at the intersection of Highway 99 and River Road (1st Avenue) by modifying the traffic signal and adding left turn lanes on County roads approaching from east and west. River Road is the County road on the east and High Pass in the County road on the west.

In 2000, the project was estimated to cost approximately \$495,000. The ODOT Immediate Opportunity Fund (IOF) was identified as a source of funds to pay for up to 50% of the proposed improvements. The remaining money was to come from Country Coach. The Board approved Order 00-2-15-1 authorizing the County Administrator to sign an IOF application as the local sponsor. The Order was amended by Board Order 00-10-31-5, specifying that there would be "no cost" to the County in its role as the local sponsoring agency.

In 2002, the County began engineering work on the project, and the roadwork portion of the project was bid in December 2003. However, it had become apparent that the total project costs were going to substantially exceed the original estimate.

The proposed Order amends the previous two Orders to indicate the County will provide up to \$250,000 for local match.

B. Analysis

Including contingencies, the current project estimate is \$1,000,000. Some of the cost increases leading to this new estimate were beyond the control of either Country Coach or Lane County.

Country Coach representatives felt the company could not commit any more money to the road project than the \$247,500 it had already pledged.

The company expressed an interest in obtaining a supplemental IOF Grant to fund the remainder of the road improvement project. However, ODOT and the OTC have been unwilling to waive the IOF rule requiring a 50/50 match from a local sponsor. Lane County proposed that the \$1,000,000 from the County's Capital Project Partnership program that was given to ODOT to help reconstruct Highway 99 through Junction City last year serve as the County's match for the Country Coach IOF Grant. Although the Highway 99 project limit was only two blocks from the Country Coach intersection project, ODOT and the OTC have indicated that they will not waive the 50/50 match requirement and will not consider the County's contribution to last year's project through Junction City as match for the IOF Grant. Consequently, another \$250,000 in local money is needed to complete the Country Coach intersection project.

Lane County will incur over \$200,000 in engineering costs on this project. These costs are reimbursable under the IOF program. Further, if the final project cost is less than the \$1,000,000 estimate, one half of the difference will be returned to the County, so long as the County and Country Coach agree that the Country Coach match funds will be expensed prior to the County's match funds.

C. Alternatives/Options

1. Approve the Order to provide County match of up to \$250,000 for the supplemental IOF Grant, and amend the Lane County/Country Coach agreement to clarify the Country Coach match will be expensed before the County's funding.
2. Approve the Order to provide County match of up to \$250,000 for the supplemental IOF Grant, and amend the Lane County/Country Coach agreement to reach some other understanding on sharing of match.
3. Do not agree to provide any County funding for local match.

D. Recommendations

Option 1.

E. Timing

The OTC will consider the supplemental IOF Grant award at its May 19th meeting. To the best of our knowledge, the OTC will not approve the supplemental IOF Grant without a commitment for the additional local match. This item is placed on the Board's Emergency Business today in order to fit with the ODOT schedule.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval by the Board, the Order will be sent to ODOT to confirm the County's intent to provide the additional local match and thereby secure the supplemental IOF Grant.