

W. S. D.

AGENDA COVER MEMO

DATE: April 20, 2005

TO: Lane County Board of Commissioners

DEPARTMENT: Public Works Department

PRESENTED BY: Ollie Snowden, Public Works Director

TITLE: DISCUSSION AND ORDER/In the Matter of Authorizing the Board Chair to sign a letter to the Oregon Department of Transportation (ODOT) Region 2 Manager Endorsing a Region 2 Seaside Project Contingency Plan

I. MOTION

Move approval of the Order.

II. ISSUE

ODOT has proposed a contingency plan for re-allocation of Statewide Transportation Improvement Program (STIP) funds currently allocated to a project on Highway 101 in Seaside. This plan has been developed because the Airport Rd-Dooley Bridge project on Highway 101 has been referred to the voters by court action. ODOT Region 2 staff has prepared a plan to re-allocate these funds to other projects in Region 2, including the I-5/Beltline Interchange project, if the Seaside project is cancelled. The Region 2 Manager has asked for formal endorsement of the proposal.

III. DISCUSSION

A. Background

The Board of Commissioners, in cooperation with the cities in Lane County and the Metropolitan Policy Committee (MPC), periodically adopts countywide priorities for modernization projects in the Statewide Transportation Improvement Program (STIP). By Board Order 04-4-14-15, the Board most recently sent priorities to ODOT for the FY 06-09 STIP. I-5/Beltline was one of three large project priorities (the others being the West Eugene Parkway and the I-5/Coburg Interchange).

As a result of the Region 2 All-Area meeting on May 14, 2004, the I-5/Beltline project received a recommendation for an additional increment of OTIA III funding. As a result of that decision, the public review draft of the FY 06-09 STIP shows three separate listings for funding for I-5/Beltline. It shows \$20.95 million in 2006; \$22 million in 2007; and \$20.8 million in 2008. At the STIP hearing in December 2004, local representatives requested that ODOT find a way to combine these phases if possible. Since that time, ODOT developed a proposal that combines these three phases into one project totaling \$72.5 million (see Attachment 3). This amount includes an expected federal earmark amount of \$8.6 million.

As a result of a court challenge in Seaside, the Highway 101, Airport Rd-Dooley Bridge project has been referred to the voters on May 17, 2005. Region 2 staff has prepared a contingency plan for re-allocation of the \$33.5 million in unspent funds from the Seaside project to other Region 2 projects in the event that the voters reject the project. The plan is to go to the OTC at the first opportunity on June 15, 2005 to advocate for use of these funds in Region 2.

B. Analysis

Attachments 1 and 2 (cover letter and proposal) were distributed for a meeting on March 11, 2005 of ACT representatives in Region 2 to discuss the proposal. Commissioner Green participated by phone. There was general consensus to support the contingency plan. Region 2 Manager Jeff Scheick asked that each Area endorse the proposal and report back by May 9, 2005 in advance of the June OTC meeting. It is our understanding that the Northwest Act (Area 1) endorsed the reallocation proposal at their March meeting. This is the Area where the Seaside project is located. The Mid-Willamette ACT (Area 2) has endorsed the proposal at their March meeting. The Cascades West ACT (Area 3) is expected to endorse the proposal at their next meeting.

The proposal shows that there is about \$33.5 million in unspent funds that will be available if the Seaside project is cancelled. The proposal includes allocation of funds to 10 projects in the four Areas in Region 2. The proposal includes \$8.6 million for the I-5/Beltline project to cover the Federal Earmark part of the project budget. If the federal earmark is eventually approved as expected, the Federal Earmark will be applied to the next phase of the project. If the Federal Earmark is not passed in the Transportation Bill by September, the Seaside allocation will mean that the I-5/Beltline project can stay on schedule for a December 2005 bid date as proposed.

This proposal has been sent to the Metropolitan Policy Committee (MPC) for consideration at their April 14, 2005 meeting. The results of that meeting will be reported to the Board.

C. Alternatives / Options

1. Adopt the Order with Exhibit A as presented.
2. Modify Exhibit A as desired by the Board.
3. Decline to adopt the Order.

D. Recommendation

Option 1.

E. Timing

ODOT has requested action by May 9, 2005 so that Region 2 staff can prepare information on this contingency plan for the Seaside Highway 101 funds at the June, 2005 Oregon Transportation Commission (OTC) meeting. The Seaside project vote will occur on May 17, 2005.

IV. IMPLEMENTATION/FOLLOW-UP

Depending on the outcome of the Seaside vote on May 17, 2005 and the subsequent reaction of the OTC to the Region 2 funding proposal, further action by the Board or MPC may be required.

V. ATTACHMENTS

ORDER with Exhibit A

Attachment 1 March 9, 2005 Seaside Cover Letter

Attachment 2 Seaside Contingency Plan

Attachment 3 Current STIP proposal for I-5/Beltline construction project

Exhibit A

April 20, 2005

Mr. Jeffrey Scheick, Region 2 Manager
Oregon Department of Transportation
Region 2 Headquarters
455 Airport Road SE, Building B
Salem, OR 97301

Dear Mr. Scheick,

Thank you for the opportunity to comment on the Seaside Contingency Plan presented on March 11, 2005 in Salem. Lane County Commissioner Bobby Green, Sr. participated by phone in that meeting and agreed to bring the contingency plan information back locally for comment.

The contingency plan proposes to re-allocate \$33.5 million in the event that the Highway 101 project in Seaside is cancelled. The plan re-allocates funds to 10 different projects in Region 2. \$8.6 million is proposed for the I-5/Beltline project in Lane County.

The contingency plan was also referred to the Metropolitan Policy Committee (MPC), which acts as the MPO Policy Board for the Central Lane MPO. The MPC has previously endorsed the latest proposal for bidding the I-5/Beltline project as a \$72.5 million package. On April 14, 2005, MPC discussed this contingency plan and endorsed the plan.

Today, the Lane County Board of Commissioners discussed the Seaside Contingency Plan, considered the MPC action on the plan, and endorsed the proposal. We appreciate the Region's attempt to keep STIP funding in Region 2 and are supportive of the All-Area effort to reach mutually agreeable strategies to keep important large projects moving forward to construction and completion.

Please call Ollie Snowden, Public Works Director, at 682-6910 if you need assistance or further information.

Sincerely,

LANE BOARD OF COUNTY COMMISSIONERS
Anna Morrison, Chair



Oregon

John A. Kitzhaber, M.D., Governor

Department of Transportation

Region 2

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Attachment 1

March 9, 2005

Region 2 ACT Chairs, Vice Chairs and Commissioners:

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

File Code:

Subject: Seaside Project Funding Reallocation Recommendation

Dear Region 2 ACT Chairs, Vice Chairs and Commissioners:

At the Region STIP modernization process meeting on February 8, 2005, I shared with you the current situation of the Seaside project. As you recall, a county judge has ruled that the City must hold a vote on actions the City needs to take in order for the project to move to construction. As I also shared with you, I want to ensure that the Northwest Region is united in a single proposal that I can advocate with ODOT Management and the OTC to keep the funding within our Region for priority projects. In that effort, I have asked staff to come up with a contingency plan recommendation for reallocating the remaining funds dedicated for the Seaside project to other projects within the Region. This recommendation is attached to this letter.

At our February meeting, we agree that moving expeditiously in assembling a recommendation for the OTC's consideration was in all of our best interests in addressing some of our transportation funding shortages. We also agreed on the importance for each ACT to provide input and to support a regional recommendation. If we intend to present a proposal for the OTC meeting in June, then we will need to have our agreement reached on a proposal in May. I am requesting that you share this recommendation with your ACT members and provide written comments back to Erik Havig by May 9, 2005. This will allow staff to make final adjustments and submit a formal action request for the June OTC meeting. All meeting materials for the June meeting must be submitted by May 17, 2005, which also coincides with the date of the vote in Seaside. If more time is needed to reach consensus, then there is some risk that the \$33 Million could be placed towards projects elsewhere in the state. If necessary based on the ACT feedback from May 9, we could decide as a group to meet in order to resolve any issues.

Region staff in preparing this recommendation used the following principles (in no priority order):

1. Ensure that Area 1 retains a reasonable amount of the funds for other priority projects.
2. Placed an emphasis on ACT identified priorities submitted as a part of the 06 – 09 modernization process completed this past spring.
3. Place a priority on fully funding projects that are short or that build additional phases of already approved projects.

4. Place a priority on Projects of statewide significance.
5. Place a priority for construction projects.

As the attached document shows, Region is estimating that approximately \$33 million would be available for re-allocation. This is quite substantial and therefore could provide an excellent opportunity for some key projects within the Region.

The following section provides a little more detail and justification for the projects the Region is recommending.

Area 1

Wilson River Loop Road

This is an intersection project to solve safety and operational deficiencies. The project currently has \$8.27 million allocated. The project team is evaluating a range of alternatives and at this time, the most likely alternative is expected to need additional funds. The recommendation from Area 1 is for an additional \$1.5 M to make the project fully funded.

US 101 Condor Road to Hebo

This is a new project for the 06 – 09 STIP. It was on the priority list for the NWACT, but was not selected due to the commitment to the Pacific Way project. This project would construct passing lanes on US 101 from Hebo north to approximately Condor Road. The \$8 M recommended for this project would modernize a substantial section of US 101 and add needed passing lanes to ease long traffic queues that are created by this narrow section.

Tillamook Couplet D-STIP

This is a D-STIP project to begin the preliminary design work to solve a major safety and operational issue at the connection point of the US 101 and OR 6 couplets in downtown Tillamook. This series of intersection points are the main congestion and safety problem identified through City planning processes. In addition, downtown development, increasing pedestrian traffic, and parking are all contributing to substantial safety concerns. This project is very high on NWACT's list.

Astoria Signals

This project is currently only funded through design. The construction portion of the project needed to be delayed in order to provide more time to solve difficult design issues with the Astoria Chair Walls and impacts to existing buildings. The \$1.5 M recommended for this project is slightly more than the original construction to account for some of these construction difficulties.

Area 3

Fort Hill – Wallace Bridge

This project is currently under funded to complete the planned project. The project will provide a 4 lane expressway from the Wallace Bridge interchange to Fort Hill and will construct an interchange at a re-aligned Fort Hill Road connection to Hwy. 18. This funding will make the project whole.

Newberg – Dundee

This project is one of the top priorities for the ACT. During the 06 – 09 STIP all area meeting, Area 3 reduced the recommended funding amount for this project to help balance the Regional project list. This funding would increase the funding for this project in the 06 – 09 STIP to the original recommended level from the ACT.

I-5 @ Woodburn Interchange

This project is one of the top priorities for the ACT. The project is currently completing the environmental documentation process and has some funds available for R/W acquisition. The project is a fairly large project with a construction estimate of approximately \$40 million and is not phasable. The City is beginning to work with ODOT on an overall funding strategy which will include a substantial local commitment. Allocating additional funds to this project will move it that much closer to full construction. The project currently has \$14.7 M allocated.

Stayton Interchange

This project is currently funded at \$7.1 M in the draft 06 – 09 STIP, but only constructs a portion of the full project. The remainder of the project requires \$11 M, but smaller portions can be added to the currently plan. An additional \$5 M will construct several additional elements of the full project. This funding does not provide the capacity benefit but would construct the structure to the future size and location.

Area 4

Pioneer Mountain – Eddyville

This is a very large and high profile project for not just the Area, but is also a project of statewide significance. The project is currently short of the funds estimated to complete the full project. As this is a design-build project, the actual amount short will not be known until the end of March. However, an additional \$6 or 7 M should be sufficient to construct an additional portion on the western end of the project. There are no other funding opportunities through OTIA 3 mod dollars to add to the project.

Area 5

I-5 @ Beltline Interchange

This is the number one project for Lane County. The current planned project which combines Ph. 1 and 2 is short of funds. At this point, the project is relying on a Federal Earmark through the reauthorization process to complete the funding. \$8.6 M is sufficient to cover the costs of the current project thereby eliminating the dependence upon an earmark. This also allows any earmark funds to be used for phase 3 which will include a substantial local contribution.

At our March 10th meeting, I hope to accomplish the following:

- To go over this recommendation and to get your first impressions on this recommendation as to its feasibility of receiving a favorable reaction in your area.
- Discuss the next steps of ACT review on reaching a recommendation.
- Follow up steps if necessary after the return of the ACT feedback on May 9th.
- Participation on this agenda item at the OTC meeting, hopefully in June.

I would like to thank you here in advance for your leadership in helping assemble this contingency plan. If you have any questions, please contact me at 503-986-2631.

Sincerely,

Jeff Scheick
ODOT Region 2 Manager

Attachment 2

Seaside Funding Contingency Plan

The Seaside project is currently funded with several funding sources. These sources and the amounts used from each are described below:

Funds Expended & Remaining Against Airport-Dooley 1/24/2005

	Initially Allocated	Spent (as of 1- 21-05)	Available
OTIA 1 Mod	\$ 12.10	\$ (2.17)	\$ 9.93
OTIA 2 Mod	\$ 3.40	\$ (0.40)	\$ 3.00
OTIA 3 Mod*	\$ 8.16	\$ -	\$ 8.16
Non-OTIA STIP	\$ 15.80	\$ (3.60)	\$ 12.20
Total	\$ 39.46	\$ (6.16)	\$ 33.29

As the table above describes, there is approximately \$33 million in funding that could be re-allocated if the Pacific Way – Dooley Bridge project is cancelled. As can be seen there is \$15.5 million in OTIA 1 and 2 funds programmed. While the chart above shows that some charges have been made to OTIA 1 and 2 funding pots, in coordination with Financial Services, Region recommends backing out these charges and re-allocating all OTIA 1 and 2 funds to other approved OTIA 1 and 2 projects. This action is the cleanest way to ensure that OTIA bond proceeds are used in accordance with the regulations and goals of the program. The following is the recommended actions for OTIA 1 and 2 funds.

Project	OTIA Funds Added	STIP funds Available
US 101 19 th St. to 32 nd St. Lincoln City	\$1.7 M	\$1.7 M
Philomath Couplet Const. & R/W	\$2.6 M	\$2.6 M
Rickreall Interchange	\$0.7 M	\$0.7 M
OR 223 Kings Valley @ Dallas-Rickreall Hwy	\$0.66 M	\$0.66 M
I-5 @ Beltline	\$9.9 M	\$9.9 M
Total	\$15.5 M	\$15.5 M

As the table above shows, the OTIA funds from the Pacific Way – Dooley Bridge project can be moved to existing OTIA 1 and 2 modernization projects, which in turn then will free other STIP

funds that are more flexible. The following table shows the Region 2 recommendation for reallocation of these funds.

Project Name	Existing Funds	Additional Proposed	Comments
Wilson River Loop Road	\$8.27 M	\$1.5 M	Project is short on funds necessary to complete preferred alternative.
US 101 Condor Road - Hebo	n/a	\$8.00 M	New project to add passing lanes on US 101 north of Hebo.
Tillamook Couplet D-STIP	n/a	\$1.00	This will begin the preliminary design and documentation work to solve a major safety and congestion area of downtown Tillamook.
Astoria Signals Project	\$0.625 M	\$1.5 M	Will make construction funding whole for this existing project
Pioneer Mountain - Eddyville	\$134.3 M	\$6.1 M	The project is currently short of funds necessary to complete the entire planned project. These funds will enable the project to extend further west with new standard roadway and correct safety and operational concerns to the original project limits.
I-5 @ Beltline Hwy. Interchange	\$72.5 M	\$8.6 M	The \$8.6 M will cover the full approved project costs without any Fed. Earmark funds and frees up whatever the earmark is to make it available for phase 3.
Fort Hill – Wallace Bridge	\$12.0 M	1.0 M	This project is currently short of the funds necessary to complete the planned project.
Newberg - Dundee	\$14.8 M	\$0.3 M	During the 06 – 09 STIP all area meeting, Area 3 reduced their request for this project to help balance the Region program. This funding would bring the funding back to the original ACT recommended level for 06 – 09.
I-5 @ Woodburn Interchange	\$14.7 M	\$0.5 M	Most recent information shows that the project is approximately \$34 M short to complete. These funds would be seed funds to match local contributions and future STIP/Fed. Earmark funds.
Stayton Interchange	\$7.1 M	\$4.5 M	The project currently only funds the first phase of the interchange. This additional funding will add the next segment will replace the existing structure, improve Sublimity Road, and improve the EB ramps.

The first priority is to address other priority work items that have been considered by NWACT. . Hitting their projects above puts back 12 M plus the 6 Million that was spent. The list of projects above would put 12 Million to projects within the NWACT boundary in addition to the \$6M that has spent to date for the Pacific Way Seaside project.



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation
Area Manager/Project Manager
644 A Street
Springfield, Oregon 97477
PHONE (541) 744-8080
FAX (541) 744-8088

FILE CODE:

December 22, 2004

Metropolitan Policy Committee
c/o Lane Council of Governments
99 E. Broadway, Suite 400
Eugene, Oregon 97401-3111

**Subject: Request for Draft FY 05-07 MTIP Amendment
for I-5/Beltline Project**

At the November 18, 2004 MPC meeting, during the draft FY 05-07 Metropolitan Transportation Improvement Program (MTIP) agenda item, we advised members that ODOT would possibly be bringing forward an amendment to combine phases 1 and 2 of the I-5/Beltline project into one single project. ODOT has developed a funding plan to combine the two phases and is requesting an amendment to the draft FY 05-07 MTIP document to reflect the combined project; the general overall scope of the project has not changed.

This is an opportunity to bring OTIA III bridge monies and other advance construction funds into the larger project in an effort to maximize the construction with a single project that reduces the overall cost implications of performing the work under two separate projects.

ODOT asks for MPC approval for this amendment to re-organize funding for the I-5 @ Beltline Interchange project. The funding is now contained in three different project descriptions (and STIP key numbers). This amendment would organize the funding and work into one project listing.

The Area and Region Staff recommend that the Region fund the I-5 @ Beltline Highway interchange project at a total cost of \$72.5 million.

- Design \$4.0M
- R/W \$9.725M
- Utilities \$1.8M
- Construction \$56.975M

Total Cost \$72.5M

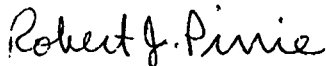
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RECOMMENDED FUNDING:

Fund Type	Amount
OTIA 1	\$18,000,000
NHS (STIP)	\$9,950,000
OTIA 3 Bridge	\$13,125,000
OTIA 3 Mod Equity	\$7,800,000
OTIA 3 Mod Adv Const	\$13,000,000
Reallocate funds from I-5 Salem Widening	\$2,000,000
EARMARK	\$8,625,000
Total	\$72,500,000

Thank you for considering this request.

Sincerely,



Robert J. Pirrie
Area Manager

RJP:mg