

W.15.a.

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Celia Barry, Transportation Planning

AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF COMMENTING TO THE OREGON DEPARTMENT OF TRANSPORTATION (ODOT) ON A STRAW PROPOSAL FOR REDUCTIONS TO THE 2008-2011 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP), AND ON COUNTYWIDE MODERNIZATION PROJECT PRIORITIES FOR THE 2010-2013 STIP

I. MOTION

Move approval of the Order (Attachment A).

II. AGENDA ITEM SUMMARY

The Oregon Department of Transportation (ODOT) requests that the Board comment on proposed reductions to the 2008-2011 Statewide Transportation Improvement Program (STIP) ("Task 1"), and preliminary project priorities for the 2010-2013 STIP Modernization Program ("Task 2"). Comments are due to ODOT by January 25. In mid-February ODOT will return a "straw proposal" on 2010-2013 modernization priorities for additional Board consideration, before a Region 2 All Area meeting convenes in May 2008 to make a final recommendation on all Region 2 projects to be submitted for consideration to the Oregon Transportation Commission.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Overview of STIP Process

The STIP is Oregon's four year transportation capital improvement program. It is the document that identifies the funding for, and scheduling of, transportation projects and programs. The County is asked to comment on priority modernization projects on the state system. The STIP adoption cycle begins anew every two years, with projects carried forward from the previous cycle and new money typically programmed for the last two years of the new cycle.

Lane County is Area 5 of ODOT Region 2. The STIP process typically involves four major steps of interaction between Regional offices and the Areas within them:

1. ODOT revisits the previous year's project Eligibility Criteria and provides opportunity for comment.
2. Region 2 identifies Large Projects (those over \$15 million) and develops a Large Project Priority list for comment.
3. ODOT indicates how much money is available for the state and each region to fund modernization projects and requests a preliminary priority project list. Historically there have been more modernization needs than funding available within the Region, so each Area submits a preliminary list of projects worth more than

available funding. Lane County holds a public hearing and adopts a list of preliminary priorities that are submitted for Region-wide consideration.

4. The Region considers all Area proposals and sends back a “straw proposal” for comment. The Board of County Commissioners holds another public hearing and adopts an Order responding to the proposal.

The Region convenes an All Area meeting to consider all Area priorities. The Oregon Transportation Commission, appointed by the Governor, ultimately takes official action to adopt the STIP and it is processed through the Governor’s office and the Federal Highway Administration. **Attachment B** is the 2010-2013 STIP timeline.

Board Action History

The Board last took action on the previous, 2008-2011 STIP cycle, by submitting a “straw proposal” of modernization project priorities for Lane County, on April 26, 2006 (step 4 above). **Attachment C** is Order 06-4-26-10 adopting the 2008-2011 priorities. The 2008-2011 STIP Modernization Priorities for Lane County included the following additional funds for previously identified priorities:

Metro Area Projects

- I-5/Beltline Interchange - additional funding of \$3.5 million for the next logical phase. A \$72 million contract (Unit 1, phases 1, 2) for construction is ongoing. Unit 2 (phase 3) is funded at \$22.5 million.
- I-5/Coburg Interchange - additional funding of \$6.2 million to the then-existing \$14.5 million funding for the project. Due to increasing costs identified as the project has moved through the design phase, funding for the entire project is currently not identified. ODOT proposes to phase this project and complete local improvements or right-of-way acquisitions associated with the project first, and replace the bridge once funding is identified.
- Beltline, River Road to Coburg Road Environmental Study - \$1.5 million additional funding for a new total of \$2.5 million.

Non-Metro Projects

- OR 126 Porterf-Noti Environmental Study -additional funding of \$.5 million for a new total of \$1 million.

The Board was briefed via electronic mail on project Eligibility Criteria on March 7, 2007. Due to insignificant changes to the criteria since the previous STIP cycle, and county budget priorities, the Board declined to hold a process on STIP 2010-2013 criteria and staff submitted a response to ODOT indicating continued support for the criteria (**Attachment D**).

With regard to the Large Project Priority list, time for a public process at the County level was not made available before the All Area meeting. Chair Stewart participated in the All Area meeting convened by ODOT Region 2 on September 17, 2007. The Region 2 Large Project Strategy, September 2007, is **Attachment E**. For Lane County, it includes the following projects:

- I-5/ Beltline Highway Interchange (\$60-\$90 million)
- I-5/Coburg Interchange (\$35-\$40 million)
- Beltline Highway/River Road to Coburg Road (\$200-\$250 million)

ODOT TASK 1 Request

This request is atypical of the usual STIP process. The Oregon Transportation Commission (OTC) adopted the 2008-2011 on November 14, 2007. Due to a number of factors ODOT must make amendments to address a shortfall of \$140 million statewide. To deal with the shortfall the Oregon Transportation Commission has reallocated its funding including directing ODOT to reduce the modernization program by \$70 million for the 2008-2011 STIP. Details of the shortfall are in Attachment F. ODOT's Region 2, including Area 5, Lane County, has been directed to come up with \$20.5 million in reductions. To accomplish this, Region 2 has asked Lane County to comment on a "straw proposal", reducing two Lane County projects by a total of \$5.9 million, or 28.8% of the Region's required reduction (Attachment G, page 4). The two projects and amounts proposed for reduction are:

I-5/Coburg Interchange	\$3.4 million, construction
Beltline/River Road to Coburg Road Study	\$2.5 million, pre-construction environmental study (development)

ODOT TASK 2 Request

This is step 3 identified above in the overview of the STIP process. ODOT requests comment on preliminary priorities for the 2010-2013 STIP. \$29.63 million is available for Region 2. Historically, Lane County's formulaic share is roughly 24-32 percent of the regional allotment, with adjustments depending on where projects are in their process of moving forward. For preliminary purposes, ODOT staff encourage proposals that exceed the formula amount.

Tasks 3 and 4

Two additional tasks described in this attachment will be brought back to the Board in February. They involve commenting on priority projects given a much larger funding scenario ("Task 3"), and producing a list of other large unfunded projects, defined as those of \$100 million or more ("Task 4"). County staff will scheduled an additional Board meeting in February to address these tasks.

The tasks are further detailed in a November 30, 2007 letter from ODOT's Region 2 Manager to all Area Commissions on Transportation (ACTs)/Lane County Attachment H).

Transportation Planning Committee (TPC) Action on Task 1 and Task 2

The TPC comprises staff supporting Metro Area jurisdictions who review STIP and other Metro area transportation issues. TPC makes recommendations to the Metropolitan Policy Committee (MPC)) when it is acting as the MPO Policy Board. On December 18, 2007, the TPC unanimously agreed as follows, with one exception with regard to Coburg staff's vote as shown:

Task 1: Support the ODOT proposed reductions as shown above

Task 2: The following 2010-2013 STIP ODOT Modernization Project Priorities

- | | |
|--|---------------|
| 1. Backfill the OR 569 (Beltline Highway) environmental study work | \$2.5 million |
|--|---------------|

2.a. Backfill the Interstate 5 at Coburg Interchange for the acquisition of right-of-way or other project needs as scoped in an adopted phased strategy *\$3.4 million*

2.b. Provide funding for discrete improvements for the Interstate 5 at Beltline Phase II project *\$3.4 million**

**Coburg staff supported the motion with the comment that they believed only 1. and 2.a. needed to be put forth as priorities since the Interstate 5 at Coburg Interchange project would be able to make use of any available funding in the 2010-2013 STIP cycle.*

Metropolitan Area Action

Due to ODOT's deadlines and local meeting dates, the Metropolitan Planning Organization (MPO) area Citizens Advisory Committee (CAC) will receive a report on January 16 at their evening meeting, but not make a recommendation prior to the Metropolitan Policy Committee's (MPC) January 10 meeting, or prior to the Board's consideration of this item on January 16. At the January 10 MPC meeting, in order to meet the first ODOT deadline of January 25, MPO staff will ask the MPC to take action on initial recommendations under ODOT's Tasks 1 and 2, and will then hold a public hearing at the February MPC meeting on ODOT's Tasks 3 and 4, prior to the ODOT deadlines for those tasks. MPC action at its January 10 meeting will be reported to the Board either in a supplemental packet or verbally at your meeting.

Roads Advisory Committee (RAC) Action

The Roads Advisory Committee was briefed on Tasks 1 and 2 at their November 28 meeting, based upon Region 2's November 21 correspondence (Attachment G). The RAC did not meet in December and their next meeting is January 23, two days prior to the date information is due to ODOT on these two tasks. The RAC decided that based upon this timing issue, and considering the limited options available given modest funding under consideration in combined Tasks 1 and 2, and, provided the Board of Commissioners would be holding a public hearing, they would not need to consider the matter for these two tasks.

B. Policy Issues

TransPlan is the Eugene-Springfield Metropolitan Area Transportation System Plan and includes the following Finance Policy #3: *Set priorities for investment of Oregon Department of Transportation (ODOT) and federal revenues programmed in the region's Transportation Improvement Program (TIP) to address safety and major capacity problems on the region's transportation system.*

The City of Coburg has its own Transportation System Plan that was co-adopted by Lane County as part of the County Comprehensive Plan. The Coburg/Interstate 5 Interchange Refinement Plan is incorporated into the City-County adopted document.

The projects involved in Tasks 1 and 2 were previously scored and ranked using ODOT Eligibility Criteria and found by the Board to be high priority projects. Taken together (Tasks 1 and 2), if the staff recommendation is supported by the Board then no change in previously adopted priorities would occur.

C. Board Goals

The following Strategic Plan Goal statements relate to this Board item:

- Provide opportunities for citizen participation in decisionmaking, voting, volunteerism and civic and community involvement; and
- Contribute to appropriate community development in the areas of transportation and Telecommunications infrastructure, housing, growth management and land development.

D. Financial and/or Resource Considerations

The financial implications of taking action on this item relate to federal transportation funds made available for State Highway improvements. There are no financial implications with regard to County revenues or expenditures as a result of taking action on this item as proposed. The County Capital Improvement Program allocates \$1.03 million to the Interstate 5 at Coburg Interchange project as required for a federal earmark match.

E. Analysis

As in 2005, limited funding means the focus of the modernization program is on small additions to current priorities that are in or moving toward construction. Now that the Region 2 Areas have agreed to a “Large Project Strategy” this past September, (Attachment E) the process shifts to adopting overall modernization priorities for 2010-2013.

Unlike previous STIP cycles, this biennial’s STIP modernization program must also address an unanticipated shortfall from the previous 2008-2011 STIP. Also, ODOT is asking Area Commissions on Transportation and Lane County to anticipate additional priorities given a larger funding package, such as might become available in future statewide legislation. Finally, given that the list of modernization needs far surpasses available funding, in order to keep other large projects in consideration, ODOT asks for an unprioritized list of other modernization projects that would cost \$100 million or more to build.

Tasks 1 through 4 as summarized above are spelled out in Attachment H. Only Tasks 1 and 2 need be addressed on January 16. Staff will return at a subsequent meeting to complete Tasks 3 and 4.

Task 1

The 2008-2011 STIP identifies the \$2.5 million Beltline/River Road to Coburg Road Study for going forward in 2008. This Study is a “Development” project consisting of National Environmental Policy Act (NEPA) work that must occur prior to construction (all federally funded projects must address NEPA). Prior to the NEPA work, “pre-planning” work must be done by ODOT staff in contract with CH2MHill (“Refinement Planning”. In discussions with ODOT planning staff (no longer with ODOT), the \$2.5 million Beltline NEPA Study was anticipated to begin in 2009. However, that staff position is now unfilled, so the pre-planning work necessary to begin the study has been put on hold, and cannot occur until the position is filled and the project is re-prioritized relative to other work. As a result of these factors it is possible that the \$2.5 million NEPA Study will be delayed whether or not it is cut from the 2008-2011

STIP.

As proposed by ODOT Region 2 in their straw proposal for this task, the proposed reductions to the I-5/Coburg Interchange project (\$3.4 million) and the Beltline/River Road to Coburg Road Study (\$2.5 million) may realistically be the best options for reductions because of timing issues and funding sources. Other alternative projects are funded from other sources (Oregon Transportation Investment Act (OTIA), or are scheduled to go forward or already in process prior to or in 2008-2009. This means that if cut from the 2008-2011 STIP, they could not be backfilled with the 2010-2013 STIP modernization program, or, that they would be delayed if chosen. This includes the Noti-Poterf Creek Study (scheduled for 2008), I-5/ Beltline construction (in process), and Beltline at Coburg Road improvements (funded by OTIA, now in development and scheduled to go to construction in 2008).

Given previously established Board priorities, it makes sense to make reductions as proposed and then backfill those reductions in subsequent years, as part of the 2010-2013 modernization program, unless the proposed reductions would result in further delays to the \$2.5 million Beltline/River Road to Coburg Road NEPA Study. Although staff is recommending support for the ODOT straw proposal, if the reduction results in delay that would otherwise not occur to the Beltline Study work, then the second alternative discussed below may be a better alternative. ODOT staff are planning to attend your January 16 meeting and respond to this issue.

Task 1, Second Alternative

If, based upon the delay factors as a result of a position vacancy at ODOT Area 5, described above, and the Beltline NEPA Study would not move forward until 2010 in any event, then the ODOT straw proposal for reductions can be supported, and the study could be funded (backfilled) under Task 2 as recommended by the TPC. As a second alternative, the Board could elect to propose all reductions to the I-5/ Coburg Interchange project in order to prevent the Beltline/River Road to Coburg Road Study from slipping one or more additional years.

An obvious consideration under this alternative is the impact of reducing the I-5/Coburg Interchange project by the full \$5.9 million proposal. Recent cost estimates have led to a conclusion that funding at the level necessary to complete the entire project, at least \$30 million, including bridge replacement and local improvements, is unidentified. ODOT staff suggest a solution may be to phase the project and complete the associated local street improvements and right-of-way acquisitions first to preserve the project footprint, and replace the bridge structure and improve the ramps once necessary funding is available. ODOT staff indicate that if the project is cut by \$3.4 million, this phased approach could go forward without additional delays, beginning with local improvements and right-of-way acquisition. A reduction of \$5.9 million rather than the \$3.4 million proposed may eliminate the possibility of right-of-way acquisition in the first phase. ODOT staff will attend the January 16 meeting and are anticipating responding more specifically as to the impacts of allocating all \$5.9 million of the reduction proposal to this project.

Under this alternative scenario, the Board could also consider using SB 994 funds for portions of the I-5/Coburg project that include County Road improvements.

Task 2

Priorities previously established make sense to backfill with the limited funds available over the 2010-2013 STIP cycle. As such staff is recommending that the cuts proposed by ODOT's straw proposal in Task 1 be backfilled (\$3.4 million to the I-5 at Coburg Interchange, and \$2.5 million to the Beltline Corridor NEPA study). In addition, staff is recommending funding discrete improvements associated with the larger I-5/Beltline Interchange project proposed as priority 2.b. Backfilling the two projects that were cut under Task 1, and using the small amount of additional funding that might be available to Area 5 for the Beltline/I-5 project, is consistent with priorities established by the Board under statewide Eligibility Criteria in previous STIP cycles.

In summary, staff supports the ODOT "straw proposal" for reductions to the 2008-2011 STIP, and TPC recommendations for priorities for the 2010-2013 STIP, as stated above in Section III.A., and as reflected in the proposed Order and Exhibit. A second alternative, depending on whether the proposed reduction under Task 1 is entirely allocated to the I-5/Coburg Project if it would otherwise delay the Beltline/River Road to Coburg Road Study, would be backfilling the I-5/Coburg Interchange project at the same amount as the reduction (\$5.9 million).

With regard to Task 2 above, the Board will have a chance to revisit this issue in February when ODOT sends back a "straw proposal".

Tasks 3 and 4

As noted above, staff will schedule another Board meeting to address these tasks.

IV. Alternatives/Options

1. Approve the proposed Order
2. Approve a modification to the Order supporting County staff's second alternative, or some other modification.
3. Decline to adopt the proposed Order

Staff comment: As noted in the Analysis section, timing of the Beltline Study is in part dependent on refilling a vacant planning position that is responsible for pre-NEPA Study refinement planning work that must be finished prior to the Beltline NEPA Study. Secondly, the priority assigned relative to other work will have an influence on the ability to complete the refinement planning work. ODOT staff plan to attend your meeting and will be available to discuss this issue. Please review the Analysis section above for additional considerations.

V. TIMING/IMPLEMENTATION

If at the January 16 public hearing the Board decides more time for public comment is appropriate, the hearing can be continued to the Board's January 23 regularly scheduled meeting. Comments on Tasks 1 and 2 above are due to ODOT no later than January 25, 2008.

VI. RECOMMENDATION

Option 1 is recommended as explained in Section III.E., Analysis, unless it will result in a delay to the Beltline Study that would otherwise not occur. In that case, staff would recommend the second alternative described in Section III.E.

VII. FOLLOW-UP

In February, ODOT will forward a straw proposal back to Lane County on Task 2, and the County will have another opportunity to take public comment and review the proposal in comparison with other Region 2 Area straw proposals. In addition, the Board will be asked to respond to ODOT Region 2 with priority modernization projects given a larger funding package by February 22, 2008 ("Task 3"). ODOT will then send another "straw proposal" back to the County and ask for comments by April 30, 2008. Finally, as "Task 4", Lane County will be asked to identify a list of other large projects. Additional materials will be prepared for the Board to consider Tasks 3 and 4. Please see **Attachment H** for additional details about Tasks 3 and 4. County staff will continue to work with ODOT and jurisdictional partners in processing the STIP modernization program.

VII. ATTACHMENTS

- A Proposed Board Order
- B 2010-2013 STIP Timeline
- C Board Order 06-4-26-10 endorsing Region2's 2008-2011 STIP Modernization Priorities and Attachment
- D 2010-2013 Criteria, and County Comments to ODOT on Criteria
- E ODOT Region 2 Large Project Strategy, September 2007
- F ODOT Program Allotment Adjustment
- G ODOT Region 2 November 21, 2007 Correspondence to Area Acts/Lane County (see in particular page 4)
- H ODOT Region 2 November 30, 2007 Correspondence to Area Acts/Lane County and attached undated internal memo from Doug Tindall, ODOT Deputy Director, to ODOT Region Managers
- I Notice Letter for Board Public Hearing January 16, 2008

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

ORDER NO.

) IN THE MATTER OF COMMENTING TO THE
) OREGON DEPARTMENT OF
) TRANSPORTATION (ODOT) ON A STRAW
) PROPOSAL FOR REDUCTIONS TO THE 2008-
) 2011 STATEWIDE TRANSPORTATION
) IMPROVEMENT PROGRAM (STIP), AND ON
) COUNTYWIDE MODERNIZATION PROJECT
) PRIORITIES FOR THE 2010-2013 STIP

WHEREAS, on November 30, 2007, the Oregon Department of Transportation (ODOT) requested input from the Lane County Board of Commissioners on Proposed Reductions to Region 2 Modernization Projects in the 2008-2011 Statewide Transportation Improvement Program (STIP) adopted by the Oregon Transportation Commission on November 14, 2007, in order to address unanticipated funding shortfalls ("Task 1"); and

WHEREAS, ODOT has also requested preliminary input from the Lane County Board of Commissioners on the Region 2 Modernization Proposal for Priority Projects in the 2010-2013 STIP ("Task 2"); and

WHEREAS, the Board of Commissioners held a public hearing on January 16, 2008 to accept public comment on these two Tasks; and

WHEREAS, the Board wishes to endorse the Region 2 "Task 1" proposal; and

WHEREAS, the Board wishes to forward the countywide preliminary modernization priorities for Lane County as shown in Exhibit A for "Task 2", 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 and Development Review Manager for consideration.

Dated this _____ day of January, 2008.

_____, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 1 - 7 - 2008 Lane County

Stephen J. Vorhees
OFFICE OF LEGAL COUNSEL

Exhibit A

January 16, 2008

Mr. Eric Havig, Planning and Development Manager
Oregon Department of Transportation
Region 2 Headquarters
455 Airport Road SE, Building B
Salem, OR 97301-5395

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 November 21, 2007, and for the opportunity to comment on preliminary priorities for the 2010-2013 Statewide Transportation Improvement Program (STIP). The Lane County Board of Commissioners held a public hearing today and discussed the Region 2 proposal for Tasks 1 as well as preliminary priorities given funding available under Task 2, as identified in Mr. Scheick's November 30, 2007 letter.

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, the proposal for reductions is the best course of action in our view.

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

The two projects and amounts proposed for reduction are:

I-5/Coburg Interchange	\$3.4 million, construction
Beltline/River Road to Coburg Road Study	\$2.5 million, pre-construction environmental study (development)

Task 1: Support the ODOT proposed reductions as shown above

Task 2: The following 2010-2013 STIP ODOT Modernization Project Priorities

***1. Backfill the OR 569 (Beltline Highway)
environmental study work*** ***\$2.5 million***

***2.a. Backfill the Interstate 5 at Coburg
Interchange for the acquisition of right-of-way
or other project needs as scoped in an adopted
phased strategy*** ***\$3.4 million***

***2.b. Provide funding for discrete improvements
for the Interstate 5 at Beltline Phase II project*** ***\$3.4 million***

Sincerely,

Chair

MPC 4.d - Attachment 1

		CALENDAR YEAR	FEDERAL FISCAL YEAR	STATE FISCAL YEAR
	Jan 2007			
Begin 10-13 STIP update, begin data collection, draft performance goals	Feb			
Data collection continues	Mar			
Data collection complete, compile and review information	Apr			
Develop funding allocation scenarios, update Highway Division Funding Allocations for 08-13 timeframe	May			
Develop funding allocation recommendation, OTC approves project eligibility criteria and prioritization factors	June			2007
Assemble funding allocation materials	July			2008
Funding allocation recommendation distributed to OTC, stakeholders, ACTs, and MPOs	Aug			
Stakeholder review of funding allocations	Sept			2007
OTC/ODOT Management discuss funding allocation and program goals for 10-13 STIP	Oct			2008
	Nov			
OTC approves program goals and funding allocations for 10-13 STIP	Dec			2007
Project selection/scoping begins, region funding targets distributed	Jan 2008			2008
Project selection/scoping continues, STIP development manual ready	Feb			
Project selection/scoping continues	Mar			
Project selection/scoping complete, PCSX open for input of projects	Apr			
Regions prepare draft program for review by stakeholders	May			
Regions complete draft program for review by stakeholders	June			2008
Targets to actuals process begins	July			2008
Targets to actuals process continues, regions review Draft STIP database with ACTs, MPOs, other stakeholders	Aug			
Targets to actuals process continues, Draft STIP printed, mailed, provided to OTC, regions, the public	Sept			2008
Targets to actuals process continues, public review process begins	Oct			2008
Targets to actuals process continues, public review process complete, comments summarized	Nov			
Targets to actuals process complete, public comments reviewed by OTC, ACTs, MPOs, regions, programs, planning	Dec			2008
Adjust program if necessary based on OTC direction, funding allocations	Jan 2009			2009
Air quality conformity determinations and modeling begins	Feb			
Air quality conformity determinations and modeling continues, PCSX closed to regions	Mar			
Air quality conformity determinations and modeling continues	Apr			
Air quality conformity determinations and modeling completed, constrain STIP to already approved funding levels	May			
Add Final MTIP data to PCSX, prepare Final STIP for review	June			2009
Regions review Final STIP with ACTs, MPOs, other stakeholders	July			
OTC review and approval of Final STIP, submit with MTIPs to Federal DOT	Aug			
Federal DOT review and approval of Final 10-13 STIP, MTIPs to governor for signature/approval	Sept			2009
	Oct			
Transition amendment completed, Final STIP printed and distributed	Nov			2008
	Dec			

STIP = Statewide Transportation Improvement Program ACT = Area Commission on Transportation MTIP = Metropolitan Transportation Improvement Program MPO = Metropolitan Planning Organizer
OTC = Oregon Transportation Commission ODOT= Oregon Department of Transportation DOT = Department of Transportation PCSX = Project Control System Data Entry Screen

**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

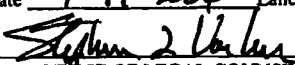
ORDERED that a comment letter in substantial conformance to the letter attached herein as Exhibit A be sent to the ODOT Region 2 Planning Manager for consideration.

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

Project Eligibility Criteria and Prioritization Factors For the 2010-2013 Development STIP and Construction STIP Eligibility Criteria

Development STIP Major Projects	Modernization Projects	Construction STIP Preservation Projects	Bridge replacement and Rehabilitation Projects
<p>Development work on major projects may be eligible for funding if it:</p> <ul style="list-style-type: none"> Supports the definition of "Development STIP" approved by the Oregon Transportation Commission Addresses an unmet transportation need in the applicable acknowledged transportation system plan(s) (TSP) or, in the absence of an applicable acknowledged TSP(s), the applicable comprehensive plan and any applicable adopted TSP(s). Addresses project need, mode, function and general location for a transportation need identified in an acknowledged TSP. or Is identified as a project of statewide significance or as a federal discretionary project. Has funding adequate to complete the identified milestone.¹ 	<p>Modernization projects may be eligible for funding if they:</p> <ul style="list-style-type: none"> Are consistent with the applicable acknowledged transportation system plan (TSP) or, in the absence of an applicable acknowledged TSP, the applicable acknowledged comprehensive plan and any applicable adopted TSP.⁵ Are consistent with the Oregon Highway Plan policy on Major Improvements (Policy 1G, Action 1.G.1), where applicable.⁶ 	<p>Pavement Preservation projects may be eligible for funding if they:</p> <ul style="list-style-type: none"> Are identified through the Pavement Management System process.¹² 	<p>Bridge replacement and rehabilitation projects may be eligible for funding if they:</p> <ul style="list-style-type: none"> Are identified through the Bridge Management System process.¹⁶ Are improvements or work needed to rebuild or extend the service life of existing bridges and structures (includes replacement of an existing bridge).

* To the extent that legislative action (e.g., HB 2041) applies, the criteria in the legislation will control in the event of a conflict.

Prioritization Factors Used to Select Projects for Funding from the Pool of Eligible Projects

Development STIP Major projects	Modernization projects	Construction STIP Preservation projects	Bridge replacement and rehabilitation projects
<p>Priority shall be given to:</p> <ul style="list-style-type: none"> ♦ D-STIP project suitability (an assessment of the level of work completed to achieve the planned D-STIP milestone). ♦ Projects that best support the policies of the Oregon Highway Plan.² ♦ Projects that have already completed one or more D-STIP milestones. ♦ Projects that have funding identified for development or construction³ ♦ Major Modernization Projects that leverage other funds and public benefits.⁴ 	<p>Priority shall be given to:</p> <ul style="list-style-type: none"> ♦ Project readiness (an assessment of the likelihood of a project getting to construction in the timeframe contemplated).⁷ ♦ Projects that best support the policies of the Oregon Highway Plan.⁸ ♦ Projects that support freight mobility.⁹ ♦ Projects that leverage other funds and public benefits.¹⁰ ♦ Class 1 and 3 projects that have completed an environmental milestone of a Record of Decision (ROD) or Finding of No Significant Impact (FONSI) (see footnote for Class 2 projects).¹¹ 	<p>Priority shall be given to:</p> <ul style="list-style-type: none"> ♦ Project readiness (an assessment of the likelihood of a project getting to construction in the timeframe contemplated).¹³ ♦ Projects that best support the policies of the Oregon Highway Plan.¹⁴ ♦ Projects that leverage other funds and public benefits.¹⁵ 	<p>Priority shall be given to:</p> <ul style="list-style-type: none"> ♦ Projects that support the approved Bridge Options Report. (This prioritization factor is not intended to limit bridge projects to those identified in the Bridge Options Report, but to give priority to those identified in the report.)¹⁷ ♦ Projects that best support the policies of the Oregon Highway Plan.¹⁸ ♦ Projects that support freight mobility.¹⁹ ♦ Project readiness (an assessment of the likelihood of a project getting to construction in the timeframe contemplated).²⁰ ♦ Projects that leverage other funds and public benefits.²¹

BARRY Celia

From: STINCHFIELD Tom A
Sent: Wednesday, March 28, 2007 4:41 PM
To: MOORE Ed W (OR)
Cc: LEE Jane S (OR); SNOWDEN Oliver P
Subject: FW: ODOT 2010-2013 STIP Schedule and Criteria

Attachments: 05-7-27-14.pdf; MPC4.d-Attachment_1-FY10-13STIPTimeline.pdf; Proposed changes for 10-13.doc; 10-13 Criteria Review DRAFT.pdf

Ed, I want to honor your deadline of March 30 for comments on the draft STIP criteria for the 2010-2013 STIP process. As you can imagine, our Board has been quite busy with budget matters. We gave them the electronic briefing below in early March and asked if they would like to take time on the Board's agenda to formally comment on the criteria.

Since the criteria are largely an extension of the current approach and criteria, and because they have supported the criteria in the past, we are passing along these comments informally. Overall, we have been pleased with the Region 2 and statewide STIP process and the approach taken in prioritizing funds. The process has been rationale and balanced in funding deserving projects and maintaining a sense of regional and statewide equity.

Please pass along Lane County's general support for the STIP criteria and process. We look forward to participating actively as the STIP process fires up in earnest for the 2010-2013 program.

From: STINCHFIELD Tom A
Sent: Wednesday, March 07, 2007 11:32 AM
To: DWYER Bill J; FLEENOR Bill A; GREEN Bobby; SORENSON Peter; STEWART Faye H
Cc: VANVACTOR William A; SNOWDEN Oliver P; CHICKERING Sonny A; BAJRACHARYA Shashi; MORGAN Bill F; RAINWATER Vonnie C; GILSTRAP Zoanne M
Subject: ODOT 2010-2013 STIP Schedule and Criteria

Summary: ODOT has requested comment on draft 2010-2013 STIP criteria by March 30, 2007. I would characterize the changes in the criteria as minor wording changes. I have included below the Board's previous letter of comment from 2005 which supported the criteria back then. Given that the criteria are substantially the same and the Board has many high priority issues to deal with now, **Ollie and I are recommending that the staff comment by email to ODOT and not bring the criteria formally to the Board for comment.** If the Board wishes to have a work session and make formal comment, we can bring this item to the Board on March 21st. This would be the last available Board meeting to meet the ODOT timeline.

If you are interested in a work session on March 21, 2007, please let me know. Ollie and I are also available to answer questions or meet with individual commissioners.

ODOT will adopt the 2008-2011 Statewide Transportation Improvement Program (STIP) in September, 2007. As you may recall, the public process on this capital project programming document is complete. Now, ODOT is beginning the two-year update process for the next version of the STIP, which will be the 2010-2013 STIP. Generally speaking, the focus will be programming ODOT funds for the 2012 and 2013 years, although they may make changes in the 2010 and 2011 years that are included in the current program.

Next steps in the process involving the Board and some tentative dates would be:

- Opportunity to comment on funding levels for different programs (Aug 2007)
- Project priorities in advance of ODOT project scoping (fall 2007)
- Region 2 All-Area project priorities (not scheduled, but guess late 2007 or early 2008)
- Draft 2010-2013 STIP published for public review (June 2008)

Attached are four documents:

1. The Board's previous letter of comment on the STIP criteria from July, 2005.
2. MPC attachment showing STIP schedule
3. Word document summarizing changes in the STIP criteria
4. Complete Eligibility Criteria and Prioritizing Factors document



05-7-27-14.pdf (1
MB)



MPC4.d-Attachmen
t_1-FY10-13STI...



Proposed changes
for 10-13.doc...



10-13 Criteria
Review DRAFT.pd...

Region 2 Large Project Strategy September 2007

Region 2, with the assistance of our Area Commissions on Transportation (ACTs) and Lane County has chosen to develop a strategy to identify and prioritize large projects. These are defined as projects over \$15 million that, while significant, have difficulty competing for funding in the regular updates of the Statewide Transportation Improvement Program (STIP) due to the limited modernization funding available in any STIP update cycle. The Region also intends that development of this strategy will put us in a position to effectively promote and/or react if:

- Substantial funding opportunities arise (e.g., OTIA 4)
- Prioritize earmarks
- The OTC considers updates/modifications to projects on the Large Statewide Significant Projects list (LSS).

Process

The concept and process for the development of the Region 2 Large Project Strategy is defined in "*Region 2 Modernization Prioritization Process for the 2008-2011 Statewide Transportation Improvement Program*". This paper was prepared as a guide to the ACTs/Lane County for developing modernization priorities. The Large Project List is identified as a product that Region 2 would develop and maintain with the assistance of the ACTs/Lane County (the process paper was updated in July 2007 to assist the ACTs/Lane County in prioritizing modernization projects for the 2010-2013 STIP update).

The process was started with the development of a list of potential large projects for the region. This list, attached as Appendix A, was developed by Region 2 staff and contained all known large projects in the Region taken from past ACT/Lane County STIP modernization prioritization exercises and local agency comprehensive plans/transportation system plans. This list was referred to the ACTs/Lane County to verify its completeness and to develop priority rankings. After this was completed, representatives of the ACTs/Lane County met with Region 2 management to develop the Large Project Strategy described below.

Large Project Strategy

Strategy Statement

The Region 2 ACTs and Lane County recognize that there are many large significant projects that have an important impact to local, regional, and state transportation and economic objectives. I-5 is the backbone of the

transportation system within the Region. There is also a high priority on other key regional routes important to the Willamette Valley and North Coast area of the State. As such, the Region 2 Large Project Strategy Priority Project List has been separated into two distinct categories. One category covers the I-5 Corridor, and the other is focused on high regional priorities. It is important to note that these regional priorities may have a substantial statewide benefit. This strategy does not place a priority on one category over the other.

Priority Project List

I-5 Corridor Project Priorities

- I-5 @ Woodburn Interchange (\$50 million)
- I-5 @ Beltline Highway Interchange (\$60-90 million)
- I-5: Santiam River to OR 34 Interchange (\$130 million)
- I-5 @ Coburg Interchange (\$35-40 million)

Regional Project Priorities

- Newberg - Dundee Transportation Improvement Project (\$500 million)
- US 101 - Tillamook Couplet (\$23 million)
- Van Buren Street Bridge – Corvallis (\$23 million)
- Beltline Road/River Road to Coburg Road (\$200-250 million)

Note: These projects are not in any priority order. These are the Regionally endorsed priority projects.

The Newberg - Dundee Transportation Improvement Project was a potential candidate for a public-private partnership. ODOT and the private sector firm selected to evaluate the potential for a privately financed toll road have terminated discussions. However, additional analysis has shown potential to fund a portion of the project, and it is still a top priority for MWACT and ODOT. It is, therefore, recommended to remain on the Regional Project Priorities list. Additionally, the West Eugene Parkway project has been cancelled based on the issuance of a "No-build" record of decision on the environmental impact statement by the Federal Highway Administration. Therefore, the West Eugene Parkway project has been removed from the Regional Project Priorities list.

The ACT/Lane County leadership would also like to point out that this strategy focuses on the Highway Program and that multi-modal system aspects are not adequately funded. Modal components should be considered and included in these major highway projects, as appropriate, to improve mobility and potentially decrease total cost for the large projects.

APPENDIX A

Region 2 Large Project List

Region 2 Large Projects List Development Identified Large Projects

Projects on ACT/Lane County Modernization Priority List¹	
Mid-Willamette Valley ACT	
Newberg-Dundee Transportation Improvement Project	\$500 million
I-5/Woodburn Interchange	\$50 million
OR 22 @ OR 51 Interchange	\$25-30 million
OR 22 @ Cordon Road Interchange	\$25-30 million
Salem River Crossing Project	\$400-600 million
OR 18/Valley Junction – Fort Hill	\$38 million
Lane County	
I-5/Beltline Interchange Phases 2 and 3	\$60-90 million
I-5/Coburg Interchange	\$35-40 million
Beltline Road/River Road to Coburg Road	\$200-250 million
Projects From Other Sources (ISFR, etc.)	
Northwest ACT	
US 101 @ OR 6 (Tillamook)	unknown
US 101/Camp Rilea – Dellmoor Loop	\$30 million
Astoria – Warrenton Parkway	\$30-40million
New Youngs Bay Bridge	\$200-400 million
US 30 System Improvements (Astoria)	\$40-50 million
Mid-Willamette Valley ACT	
I-5/Kuebler Boulevard – Illahe Crossing	\$120 million
I-5/Illahe Crossing to Santiam River	\$120 million
Cascades West ACT	
I-5/Santiam River – OR 34	\$130 million ³
I-5/Tank Farm Road Interchange	\$39 million
I-5/Knox Butte Interchange	\$26 million
I-5/US 20 Interchange	\$36 million
OR 34/Van Buren Street Bridge	\$21-36 million
US 20/Corvallis Bypass North Leg	\$35 million
US 20/Newton Creek – Neer	\$56 million
US 20/Cirde Drive – North Albany Road	\$32 million
US 101/Logan Road – 23 rd	Unknown
US 101/Spencer Creek Bridge Unit 2	\$15 million
Yaquina Bay Crossing Capacity	\$100-200 million
Lane County	
I-5/I-105 – OR 58	unknown
OR 126 @ Main Street (Springfield)	\$40-60 million
I-5/Franklin Interchange	unknown
OR 126/Noti – Poterf Creek	unknown

¹ Cost estimates are very preliminary and conceptual, they are provided to show only the order of magnitude and should not be used for financial planning or programming purposes.

² At the time this list was prepared, no projects on the Northwest ACT priority list qualified for the Large Project List and Cascades West ACT did not have an adopted modernization priority list.

³ Cost estimate includes 3 interchange projects that are on this list.

ODOT PROGRAM ALLOTMENT ADJUSTMENT

Due to a number of factors, ODOT's 2008-2011 highway construction program, known as the Statewide Transportation Improvement Program or STIP, faces a shortfall of approximately \$142.3 million compared to the funding projected to be available when the program allotment was first drawn up in late 2005. Additionally, the 2005 program allotment presumed that enough new revenues would be available for subsequent STIPs so that it would not be necessary to move to a "triage mode" as described in the Oregon Transportation Plan. Operating under a triage mode, ODOT would focus primarily on preserving the existing transportation system rather than investing in expanded capacity.

Based on the 2005 program allotment, ODOT has allocated funding within the draft 2008-2011 STIP to transportation projects throughout the state that improve safety, address congestion, and benefit local communities and the state's economy. While ODOT will work to minimize the impact of the shortfall and lack of new revenues on these important transportation projects, some projects will be canceled, delayed, or have their funding reduced in order to eliminate the deficit and make up for other needs.

How did the shortfall occur?

Four major unanticipated factors have caused this significant gap:

- As a result of high fuel prices, people are driving less than expected, and state revenues from fuels taxes are lower than projected.
- Legislative adjustments (primarily for increased personnel costs) raised projected expenditures.
- The 2007 Legislature passed legislation that will redistribute money from the state Highway Fund to counties in 2008.
- The cost of remodeling the ODOT headquarters building—the only building on the Capitol Mall that has not been reconstructed to address safety and seismic problems— is higher than the amount originally allocated.

How will ODOT adjust the program to address this issue?

Technical adjustments to the budget such as restructuring bond sales to delay debt service payments have reduced the magnitude of the funding gap somewhat. After these actions, ODOT's construction program is left with a projected shortfall of \$142.3 million at the end of 2011. The Oregon Transportation Commission (OTC), which sets the budget and policy for ODOT, will need to restructure the program in order to eliminate this shortfall and address the lack of new revenues.

The OTC has given direction to ODOT to develop a number of adjustments that will eliminate the deficit and free up funding for other needs. These include delaying the remodel of the ODOT headquarters and reducing the program reserve amount, which was intended to respond to unplanned events. This will result in spending down a portion of the state's modest Highway Fund ending balance.

The OTC has also directed ODOT to reduce the 2008-2011 modernization program, which funds projects that expand highway capacity and improve interchanges, by \$70



million. When it finalizes the budget adjustments later this year, the OTC will direct ODOT to seek recommendations from Area Commissions on Transportation (ACTs) on which projects to reduce, cancel, or delay. ACTs, which are composed of local elected officials and business leaders, make recommendations to ODOT on which modernization projects to fund in various regions of the state.

As part of this funding reduction for modernization projects the OTC has directed ODOT to reallocate some of the money set aside for projects with no funding identified for construction. Reallocating this funding, which is being used for project development and buying right of way, will allow funding to remain on projects that are ready to go to construction without eliminating the ability to build large unfunded projects if funding becomes available in the future.

The OTC will finalize budget modifications in November.

What does it mean to shift to a "triage mode"?

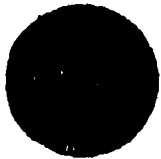
Federal law and the Oregon Transportation Plan, the policy framework that guides ODOT's investments and decisions, dictate that ODOT's first responsibility is to preserve the existing transportation system. The mounting needs of the state's aging infrastructure and inadequate funding to meet these needs are leading the OTC to shift ODOT into a triage mode. With inadequate funding to even maintain the existing system much less expand it by building new highways, ODOT will focus limited resources on preserving and maintaining the highways and bridges already in existence.

As a result of this decision to shift into a triage mode, the OTC has directed ODOT to reallocate resources to maintaining and preserving the highway system. In response, ODOT has recommended that the OTC shift \$30 million into maintenance, \$30 million to bridges, and \$8 million into operations over the course of the 2008-2011 STIP.

ODOT's maintenance budget has remained nearly flat for a decade, and to maintain the same level of service additional resources are needed. Due to cost increases in a number of maintenance materials, without additional funding ODOT will not be able to purchase adequate quantities of critical materials such as anti-icing solution and would not be able to address maintenance problems promptly. As a result, minor problems would grow into larger problems that would cost more to fix in the long run.

ODOT has also recommended shifting \$30 million into the bridge program. This will make up a portion of the funding lost due to the decision to bond \$31 million of the bridge program's annual budget beginning in 2010 to pay for the OTIA III state bridge program. This reduction in funding over the next 25 years would result in long-term deterioration of the state's bridges. In the wake of the Minneapolis bridge collapse, the state believes additional resources are needed to maintain the health of the state's bridges in order to protect the safety of the traveling public and maintain the mobility of freight on our highways.

ODOT has also recommended shifting \$8 million into operations programs that keep traffic flowing efficiently, such as retiming traffic signals and clearing wrecks more quickly. This funding will help implement innovative projects that can have a significant impact on congestion at a lower cost than adding lanes or fixing interchanges.



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

November 21, 2007

To: Region 2 ACT Chairs, Vice Chairs, and Commissioners
 Shirley Kalkhoven NWACT Chairperson
 Don McDaniels NWACT Vice Chairperson
 Richard Bjelland MWACT Chairperson
 Ken Woods MWACT Vice Chairperson
 Linda Modrell CWACT Chairperson
 Don Lindly CWACT Vice Chairperson
 Faye Stewart Lane County Commissioner
 Bobby Green Lane County Commissioner

Subject: 08 – 11 STIP Adjustment

At the Oregon Transportation Commission (OTC) workshop in October, Region 2 received an update on the current revenue projections for the department. The current projections show an approximate \$140 million shortfall for the 2008 – 2011 STIP. There are several reasons for this including less gas tax revenue than projected, a one time payment from ODOT to the counties, funds needed to renovate the Transportation Headquarters building (the only building in the Capitol Mall not seismically retrofitted), and other factors.

The projected shortfall has resulted in the OTC taking a “triage” approach as described in the Oregon Transportation Plan. The “triage” approach is intended to evaluate the overall health of the various ODOT programs and make difficult decisions about funding priorities if anticipated revenues fall below planned levels.

As a part of the “triage” strategy, the Commission has decided to delay the construction on the Transportation Building and modify ODOT cash management techniques. Additionally, the OTC has decided that with reduced revenue projects, ODOT needs to increase our investment in three program areas: maintenance, bridge, and operations (Intelligent Transportation Systems, ITS). Due to beginning debt service for the OTIA 3 Bridge program bonds, the funding available for the state bridge program would be substantially reduced. Additionally, ODOT has not been meeting basic investment needs from maintenance in the system. With reduced overall revenue expected, the OTC believes ODOT needs to place more resources towards maintaining our existing system. Finally, the OTC strongly believes in maximizing the efficiency of the existing highway system. Additional funding levels for ITS helps achieve that goal. In order to fund these programmatic objectives, the OTC at their November meeting decided to cut the modernization funding level for the 08 – 11 STIP by \$70 million. Region 2’s share is approximately \$20.5 million.

Attached to this letter is a straw proposal for your consideration. Region 2 staff have evaluated the recently adopted 08 – 11 STIP and made our recommendations for cutting \$20.5 million.

Please review the straw proposal with your ACTs/Lane County and provide your feedback and recommendations to the Region by February 4, 2008. We will be scheduling an All – Area meeting for early in March 2008 to make final decisions.

The straw proposal was developed by the Region staff, and generally looked at the potential reductions from DSTIP projects to maximize the amount of funds remaining in the program towards construction. However, we also evaluated construction projects to see if they could be phased in an effort to help meet our obligation.

As mentioned above, the anticipated revenues are expected to be lower than required to maintain program funding at their current level. This means that beginning in the 2010 – 13 STIP update, ODOT will be looking at a minimum modernization program level at approximately \$50 million per year. However, about half of those funds are dedicated to bond repayment for OTIA 3 modernization. This means that ODOT will have approximately \$25 million per year available for statewide modernization. This equates to approximately \$6.5 to \$7.0 million per year for Region 2. This is not much, considering the long list of prioritized needs across the Region. I would appreciate you and your ACTs/Lane County discuss investment strategies for these limited modernization funds and share them at the Region level. Concepts to potentially consider include, but are not limited to:

- Focus on Area high leverage construction projects to get the dollars on the ground. High leverage refers to significant local and/or private funds towards the project.
- Consider establishing one or two projects within the Region, rather than several projects in all four Areas.
- Focus on DSTIP activities to maintain momentum on high priority Area/Region projects.
- Others?

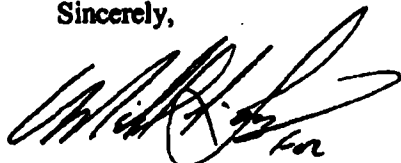
We will be discussing your thoughts and recommendations on this topic at the All-Area meeting that will be scheduled for early March 2008.

I understand that both these requests are difficult, and that the current news is disappointing. However, as you are all aware, the Governor has publicly stated that transportation funding is one of his top priorities for the 2009 legislative session. While very early in the process, the department would also like you to consider establishing your list of priorities if a substantial funding package were to be approved. For purposes of conversation only, assume that ODOT received funding to support a \$140 million per year increase in modernization funds statewide. Along with current funding, this would provide approximately \$43 million per year for Region 2. Please bring to the All-Area meeting in March, your ACTs/Lane County's list of priorities assuming a \$43 million per year Region 2 modernization program. Priorities could be project lists, or goals for types of projects. For example, the priorities might consider a corridor perspective, or freight system routes, or other areas of focus.

In summary, these are some very difficult and challenging times for all of us. Please review the attached straw proposal for \$20.5 million in cuts to the 08 – 11 STIP and send your comments and recommendations to Erik Havig at the Region 2 office. In addition, please be prepared to discuss at the March 2008 All-Area meeting your ACT/Lane County priorities for a minimum modernization program for 2010 – 2013 as well as a substantially enhanced modernization program funding level

as described above. I want to thank each of you for your leadership and assistance in leading these difficult discussions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Scheick', with a stylized flourish at the end.

Jeff Scheick
Northwest Region Manager

Cc: Mike Long, Region 2 Project Delivery Manager
Erik Havig, Region 2 Planning and Delivery Manager
Jack Lee, Region 2 Maintenance and Operations Manager
Larry McKinley, Region 2 Area 1 Manager
Tim Potter, Region 2 Area 3 Manager
Vivian Payne, Region 2 Area 4 Manager
Sonny Chickering, Region 2 Area 5 Manager

2008 – 20011 STIP
Modernization Program Reduction
November 2007
Region 2 Straw Proposal

Area 1	<u>Project</u>	<u>Amount Reduced</u>	
	Wilson River Loop Road	\$2.5 million	
		Sub-Total Area 1	\$2.5 million
Area 3			
	Newberg- Dundee	\$5.4 million	
	OR 22 Greenwood – Doaks Ferry	\$1.2 million	
		Sub-Total Area 3	\$6.6 million
Area 4			
	OR 34 Van Buren St. Bridge	\$3.5 million	
	US 20 Newton – Neer	\$2.0 million	
		Sub-Total Area 4	\$5.5 million
Area 5			
	I-5 @ Coburg Interchange	\$3.4 million	
	OR 569 River Rd. – Coburg Rd.	\$2.5 million	
		Sub-Total Area 5	\$5.9 million
Total Reduction		\$20.5 million	



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

Region 2 Headquarters

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November 30, 2007

To: ACT Chairs and Vice Chairs
Shirley Kalkhoven, NWACT Chair Person
Don McDaniels, NWACT Vice Chair Person
Richard Bjelland, MWACT Chair
Ken Woods, MWACT Vice Chair
Linda Modrell, CWACT Chair
Don Lindly, CWACT Vice Chair
Faye Stewart, Lane County Commissioner
Bobby Green, Lane County Commissioner

Subject: 08-11 STIP Process and Program Funding Update

Dear ACT Chairs and Vice Chairs:

On November 21, 2007, I sent a letter describing the need to make over \$20 million in cuts to the '08 - '11 STIP as directed from the Oregon Transportation Commission. In that letter I also requested that your ACT/Lane County discuss what your proposed 2010 - 2013 STIP could look like with a minimum modernization program as well as considering what recommendations you would have if the Department received a funding increase to support a modernization program of \$140 million per year.

Since sending this letter, there has been some additional direction. My initial request was very close to the revised expectations from the Deputy Director, but there are a few modifications. Based upon these revised expectations, here are the Tasks and modified timelines that we need you to consider and provide recommendations to the Region.

Task 1

This Task is identical to the '08 - '11 STIP reduction Task from my previous letter. The Region still needs you to review the "straw proposal" document for cutting approximately \$20.5 million from the '08 - '11 STIP. Your comments are now due by January 25, 2008 to Erik Havig, Region 2 Planning and Development Manager at the address above. This shortened timeline requires we hold the All Area Meeting at the end of February instead of early March. This All Area Meeting will be in Salem, but will be an optional phone in meeting to help with travel.

08-11 STIP Process and Program Funding Update
November 30, 2007

Page 2

Task 2

This Task is similar to what I had asked you to consider with a minimum modernization program for 2010 – 2013 STIP. However, the revised expectation is to develop the recommended projects list to go into the 2010 – 2013 STIP. This Task is essentially our All Area Modernization STIP process. The ACTs/Lane County have already been working on priorities for funding within the current STIP update process. The final actual modernization funds available to Region 2 for the 2010 – 2013 STIP is \$29.63 million. Given that the department has asked you to engage in several other key funding issues, we are modifying the due date for your list of 2010 – 2013 STIP priorities. These were to be turned into the Region by mid December, but they are now due by January 25, 2008. Please send your priority lists to Erik Havig at the Region 2 office by that date. The Region will still send out a "straw proposal" by the middle of February for final comment by the ACTs/Lane County. Please send your comments on this "straw proposal" back to Erik Havig by April 30, 2008. We will be setting our normal All Area Meeting for the middle of May to gavel down on the project list for the 2010 – 2013 STIP update.

Task 3

Task 3 is again similar to my request for your consideration of a funding increase to support a \$140 million per year modernization program. However, the department is requesting that you develop a priority project list that could be implemented over the 2010 – 2015 STIPs. This means six years of modernization funding at \$140 million per year. The Regional split that I gave in my previous letter was not an exact calculation. The exact regional split for Region 2 is \$40.267 million per year. That means we need to develop a modernization priority list for funding \$241.602 million over the six year period beginning in 2010. We will develop this list in the same manner that we develop the STIP update for modernization. At the All Area Meeting in May, we will gavel down on a final list of projects to meet this increased funding scenario. We need you to submit your priority lists for your ACT/Lane County to Erik Havig at the Region 2 office no later than February 22, 2008 in order to meet the expected timelines. A "straw proposal" will be sent back to the ACTs/Lane County in early March 2008. We will need your comments on this "straw proposal" by April 30, 2008 in order to be ready for the All Area Meeting in May.

Task 4

Task 4 is new. As part of the exercise to develop a program assuming a substantial increase in modernization funds, it is clearly understood that the list of needs, especially very large projects will still be out of reach even with the potential increases assumed in Task 3. The ODOT leadership would like each ACT/Lane County to put together a list of large unfunded projects (defined as projects of \$100 million or more) that are not included in the Task 3 list above. These projects must however be identified in TSPs or RTPs. For purposes of RTPs for MPO's, the project must be in either the constrained or illustrative project lists. Please send your list of projects, again to Erik Havig at the Region 2 office no later than February 22, 2008 in order to meet the expected timelines. As with Tasks 2 and 3, we will go over and finalize this list at the All Area Meeting in May.

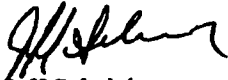
08-11 STIP Process and Program Funding Update
November 30, 2007

Page 3

Attached to this letter is the set of instructions from the Deputy Director. Included in the instructions is a standardized form that needs to be filled out for each project proposed with Task 3. The Area Planner/Area Manager will be available to work with your ACT/Lane County support staff to complete these forms.

Again, I want to thank each of you for your leadership and assistance with these important funding decisions and actions.

Sincerely,



Jeff Scheick

Northwest Region Manager

Cc: Erik Havig, ODOT Planning and Development Manager
Mike Long, ODOT Project Delivery Manager
Steve Cooley, ODOT Tech Center Manager
Larry McKinley, ODOT Area 1 Manager
Tim Potter, ODOT Area 3 Manager
Vivian Payne, ODOT Area 4 Manager
Sonny Chickering, ODOT Area 5 Manager
Terry Cole, ODOT Sr. Planner
Dan Fricke, ODOT Sr. Planner
Ingrid Weisenbach, ODOT Area 1 Planner
John DeTar, ODOT Area 4 Planner

To: Region Managers

From: Doug Tindall

Subject: STIP reductions and allocations

With the adoption of the 2008-13 program funding levels, two actions involving STIP projects are necessary. Additionally, as a result of a Senate bill passed in the 2007 session, two other actions associated with STIP project selection are necessary. Details of these four Tasks follow.

Task 1

In order to resolve a shortfall of funds resulting from lower than expected revenues and higher than projected expenditures, the Oregon Transportation Commission has directed that the modernization portion of the approved '08 – '11 be reduced by \$70 million. To calculate each share of the cut, a reduction of \$17.5 million was assumed for each year of the STIP. To allow the greatest flexibility for Regions, only the total reductions are shown here.

REDUCTIONS TO MODERNIZATION (thousands)

Region	Total 2008-2011 Reduction
1	\$26,040
2	\$20,472
3	\$10,647
4	\$7,186
5	\$5,656
Total	\$70,000

NOTE: 2008-2009 equity splits are from the 2006-2009 STIP, and are carried forward into the 2008-2011 STIP; 2010-2011 equity splits are from the 2008-2011 STIP.

Regions need to work with their ACTs or ACT-like bodies to identify project reductions to meet the above target by February 29, 2008. The cuts do not have to occur in specific years, but rather can occur anywhere in the '08-'11 period. Deferring cuts to the last two years will require deeper cuts in '10-'11, and will impact the '10-'13 allocation as described in the next Task.

Task 2

Identification of projects to be included in the '10-'13 STIP needs to begin. Taking into account the reductions described above for '10-'11, the following table reflects the total modernization dollars available for the '10-'13 period.

2010-2013 REGIONAL MODERNIZATION ALLOCATIONS (thousands)

Region	Total 2010-2013 Modernization
1	\$37,332
2	\$29,630
3	\$15,648
4	\$10,590
5	\$8,600
Total	\$101,800

NOTE: 2010-2011 equity splits are from the 2008-2011 STIP carried forward into the 2010-2013 STIP, and incorporate \$35 million in cuts to the Modernization Program; 2012-2013 equity splits are from the 2010-2013 STIP.

As noted in Task 1, the \$70 million reduction was assumed to occur equally over the '08-'11 period. If a Region desires not to reduce the '08-'09 modernization, the '10-'11 period (and consequently the '10-'13 period) need to be reduced by any amounts not cut in '08-'09.

Task 3

Senate Bill 566 from the 2007 legislative session requires the Oregon Transportation Commission to conduct a study and evaluation "...of the Oregon highway system, with input from highway users, local governments and the Federal Highway Administration. The purpose of the study is to identify specific highway projects required to reduce traffic congestion, improve freight mobility and enhance safety".

Rather than conduct that study separately, we will incorporate it with the STIP process in two ways. First, in addition to preparing a list of modernization projects that fit the '10-'13 allocation described in Task 2, Regions need to work with the ACTs and ACT-like bodies to prepare a list of projects for the '10-'15 period that would be possible with the following increased annual funding.

**ANNUAL REGIONAL MODERNIZATION
ALLOCATIONS for \$140 MILLION
(thousands)**

Region	\$140 Million Annually
1	\$52,586
2	\$40,267
3	\$21,129
4	\$14,437
5	\$11,581
Total	\$140,000

Note that these are annual figures, and result in a total of \$840 million over the '01-'15 period.

In identifying projects, Regions must follow the STIP criteria, and should consider:

- Modernization and Operations projects that reduce traffic congestion, improve freight mobility and enhance safety subject to the STIP criteria.
- Projects identified for construction must meet the project readiness criteria by the end of FY 2016.
- Projects identified for development may meet the project readiness criteria in the FY 2017 – FY 2022 time frame.

Regions must indicate in narrative form how the project identified reduces traffic congestion, improves freight mobility, and enhances safety.

When identifying SB 566 projects, Regions may consider modernization projects that are:

- Identified by the transportation management systems;
- Identified in regional transportation plans (RTPs) and/or transportation system plans (TSPs);
- In development in the 2008-11 or 2010-13 STIP, but not included in construction for for the 2008-2011 or 2010-13 STIP; or,
- Considered, but not included, in the 2010-2013 STIP;

Projects identified for SB 566 may be on either the state system or on local roads and streets.

Regions and ACTs may assume that one fourth of the annual allocation is available to be bonded. If bonding is used to finance a large project, reduce subsequent years by \$1 million of annual revenue for every \$12 million of bonds.

Additionally, Regions and ACTs should also identify modernization projects in RTPs or TSPs with a cost of greater than \$100 million that are beyond the scope of even the enhanced level of funding assumed for SB 566.

Task 4

Even with a \$140 million annual increase in funding, not all needs can be met. In addition to the above lists, Regions need to also identify large modernization projects that are beyond the scope of even the enhanced level of funding. These "large unfunded projects" must be expected to cost at least \$100 million, and must be in a Transportation System Plan or a Regional Transportation Plan, but do not have to meet any of the other STIP criteria.

Summary

The four Tasks are intended to be conducted as part of the STIP discussion.

- Task 1 will fulfill the OTC direction to move towards preserving the existing system and bring the program into balance by 2011 and needs to be complete by the end of February 2008.
- Task 2 will be part of the draft '10-'13 STIP.
- Tasks 3 and 4 address requirements from SB 566 and are in addition to projects discussed for inclusion in the '10-'13 STIP, although there is no guarantee that additional revenue will be approved by the Legislature so that SB 566 projects may be undertaken.

Tasks 2, 3, and 4 need to be complete by May 31, 2008 in order to meet the required July 2008 legislative presentation mandate.

Information for projects in Tasks 1 and 2 should follow the normal STIP information requirements. The information needed for each project in Task 3 and 4 is described on the attached page.

SB 566 Project Information

Element	Notes
Project Name:	Follow the STIP project naming convention. However, please avoid using abbreviated place names (i.e., WASH.) and acronyms like NCL, SCL, OXING in these project names.
Route:	
Highway number:	
Milepoints:	
County:	
MPO:	
ACT:	
Description:	<p>Briefly describe the project. Include identification within local plan or potential need for plan amendment.</p> <p>If the project is a development project, rather than a construction project, the description should also cover the complete project and provide a cost estimate for it.</p>
Objective:	Indicate how the project reduces traffic congestion, improves freight mobility, and enhances safety.
Estimated Project Cost:	<p>The estimated cost for a construction project includes: all planning activities (project planning, IAMPs, etc.), design, right-of-way purchase, utility relocation, construction and other costs.</p> <p>The estimated cost of a developmental project should include funding adequate to complete the identified milestone.</p> <p>These estimates should be stated in terms of 2008 dollars.</p>
Construction year:	Indicate when the project will be ready for construction.
Work Type:	Indicate the Highway Program for the project.
Key number:	Provide a key number, if a key number has already been assigned to the project. Some projects may not have key numbers; key numbers will not be assigned to SB 566 projects.



LANE COUNTY

PUBLIC WORKS DEPARTMENT / 3040 North Delta Hwy. / Eugene, OR 97408
Phone: (541) 682-6911/ Fax: (541) 682-8500

January 2, 2008

RE: Notice of January 16, 2008 Public Hearing on ODOT proposed reductions to the Countywide Modernization Project Priorities for the 2008-2011 Statewide Transportation Improvement Program (STIP), and on Preliminary Countywide Modernization Project Priorities for the 2010-2013 STIP

To: Elected Officials, Agency Staff, and Interested Parties

The Lane County Board of Commissioners has scheduled a public hearing for January 16, 2008 at 1:30 p.m. at the Public Service Building in Eugene, 125 East 8th Street. The hearing is to consider proposed reductions to the 2008-2011 STIP ("Task 1") and also a preliminary list of countywide modernization project priorities for the 2010-2013 STIP ("Task 2"). The Board will take comment and then make a recommendation to the Oregon Department of Transportation (ODOT) for consideration.

Do to unanticipated shortfalls that must be addressed by modifying the 2008-2011 STIP and based upon preliminary information as to funds available for Region 2 for the 2010-2013 STIP, of which Lane County is one of four Areas, we do not expect that modernization projects will be funded in large increments during this STIP cycle. Consequently, the draft proposal from staff that will be considered by the Board backfills projects in the 2010-2013 STIP that are proposed for reduction from the 2008-2011 STIP, and recommends a modest allocation to the I-5/Beltline project now under construction. No new projects are added to the draft proposal.

The Metropolitan Planning Committee (MPC) will be meeting on January 10 to discuss metro priorities. MPC discussion will be reported to the Board as supplemental information prior to or during the meeting on January 16. Attached for your information is an advance copy of a draft Order and Exhibit A for your consideration. Due to the limited timeline available to comment back to ODOT, informational materials are just now being posted to the county website and should be available either by the time you receive this letter or soon thereafter. The final Board agenda materials will be available no later than Thursday, January 10. The County website address is www.lanecounty.org, where there is a link toward the bottom of the page to the County's STIP informational page.

Sincerely,

Oliver P. Snowden,
Public Works Director

Attachment: Draft Order with Exhibit A