

March 3, 2005

To: Metropolitan Policy Committee
From: Paul Thompson
Subject: Item 4.e: I-5/Beltline Earmark Timing Issues

Action Recommended: None. Information and discussion only.

I-5/Beltline is the top priority for both the Central Lane Metropolitan Planning Organization (MPO) and Lane County for state system modernization projects in Area 5. This project is also an Oregon Transportation Commission (OTC) priority and is carried on the state's adopted federal earmark list. Further, the OTC has made clear that funding projects on the earmark list is a high priority. The Oregon Department of Transportation (ODOT) has advanced a maximum available amount of funding to this project from several sources to construct the northbound to westbound fly-over along with additional project elements, and must still rely on the pending federal earmark for about \$8.6 million of the total first construction job of \$72.5 million.

The federal earmark is subject to approval in the pending reauthorization of the federal transportation bill. Since the timing of that reauthorization is uncertain, at the request of ODOT, MPO staff has begun discussing concepts for developing a contingency plan that would be able to 'cover' the earmark time gap by December of this year in order for the large I-5/Beltline modernization project to proceed to the anticipated December bid let.

Having a contingency funding strategy is a good business practice, and staff expects that it will not be necessary to go to the back-up plan. However, like local jurisdictions, ODOT is required to demonstrate that the money for a project is available prior to letting a bid to construct that project. ODOT has raised the contingency question now due to timelines involved in getting a back-up strategy in place by December.

MPO staff will continue to monitor progress on passage of the federal transportation legislation. Staff will also proceed with assessing the Area's other programmed state highway system modernization with the goal of reaching a recommendation to MPC and the County Board of Commissioners on which of those jobs could be delayed were it necessary to cover earmark funding. ODOT staff is also working with the Highway Finance Office to identify the appropriate level of documentation for a contingency funding plan, and the required timing for putting that plan into place.