



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

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Region 2 ACT Chairs, Vice Chairs and Commissioners:

Lylla Gaebel	NWACT Chairperson
Shirley Kalkhoven	NWACT Vice Chairperson
Richard Bjelland	MWACT Chairperson (check this spelling)
Ken Woods	MWACT Vice Chairperson
Don Lindley	CWACT Chairperson
Roger Nyquist	CWACT Vice Chairperson
Bobby Green	Lane County Commissioner
Anna Morrison	Lane County Commissioner

Subject: Seaside Project Funding Reallocation Recommendation

Dear Region 2 ACT Chairs, Vice Chairs and Commissioners:

Thank you for our meeting on May 23, 2005 to discuss revisions to the Seaside Funding Reallocation Recommendation. Your commitment to work together and reach consensus is critical to a successful conclusion to this reallocation effort. On March 10, 2005, we developed a contingency plan, should there have been a community vote not in favor of the project. The ACTs and Lane County have strongly supported the contingency plan over the past two months. As you are aware, the vote on May 17, 2005 regarding the Seaside project resulted in the majority of the residents voting against the project.

The Oregon Transportation Commission (OTC) at their May meeting stated that the Seaside Highway 101 project is to be cancelled. They also instructed Region 2 to bring a recommendation for their June meeting to re-deploy the OTIA and STIP funds from the Seaside project to other projects in Region 2. The OTC directed Region 2 to utilize funds from the Seaside project to ensure adequate funding for the Highway 20 Pioneer Mountain to Eddyville project. The OTC also instructed Region 2 to reallocate the remaining funds to other projects in the region. The rationale from the OTC to place such a high priority for funding the Pioneer Mountain to Eddyville project is because it is one of the approved projects of statewide significance. The OTC approved this list of statewide significance projects to help prioritize statewide investments to a list of key projects that would have significant statewide benefits. The Pioneer Mountain to Eddyville project is also the single largest project moving forward to construction from the OTIA 3 modernization program. For these reasons, it is in the interest of the Region and State to ensure that the Pioneer Mountain to Eddyville is constructed.

However, when this March 10, 2005 recommended list of projects was developed, the Pioneer Mountain to Eddyville project was still out for proposals through a design build

process. Since that time, the proposals have been opened for the project. The best value firm was substantially higher than the budgeted funds for the project.

The OTC instructed ODOT to have a proposal for reallocation of the Seaside funding for their consideration at the June OTC meeting. This means that we must quickly amend our recommended March funding contingency plan to adequately fund the Pioneer Mountain to Eddyville project. The estimated shortfall to enter into a construction contract is \$12.2 million.

Region 2 also believes that is important to ensure that the Northwest Area retains adequate funding for projects on the North Coast. This was a guiding principle in our first recommendation and applies to this revised plan.

Therefore, we have prepared a modified funding redistribution plan, listed in the following table. It should also be noted that there is only \$32 million available for redistribution, which is less than the \$33 million we had anticipated. The \$32 million is our best guess at the final amount that would be available after closing out the Seaside project. This reduction is due to updating the most recent contract billings to the Seaside project. It is also important to note that this modified plan for some of the projects still contains the same projects as approved in March, only the added funding values for some of the projects have changed.

The following table is the revised plan:

Table 1

Project Name	Existing Funds	Original Proposed Added Funds	Modified Proposed Added Funds	Comments
Wilson River Loop Road	\$8.55 M	\$1.5 M	\$1.5 M	Project is short on funds necessary to complete preferred alternative.
US 101 Condor Road - Hebo	n/a	\$8.0 M	\$8.0 M	New project to add passing lanes on US 101 north of Hebo, with the NWACT area.
Tillamook Couplet D-STIP	n/a	\$1.0 M	\$1.0 M	This will begin the preliminary design and documentation work to solve a major safety and congestion area of downtown Tillamook, within the NWACT area
Astoria Signals Project	\$0.815 M	\$1.5 M	\$1.5 M	Will make construction funding whole for this existing project.
Pioneer Mountain - Eddyville	\$134.3 M	\$6.1 M	\$12.2 M	This statewide significant project is currently short of funds necessary to complete the planned project. These funds will ensure that the project is adequately funded to complete the planned work.
I-5 @ Beltline Hwy. Interchange	\$72.5 M	\$8.6 M	\$ 3.0 M	These funds will be used to move this project towards completion of phase 3 of the interchange project.

Fort Hill – Wallace Bridge	\$13.658 M	\$1.0 M	\$0.5 M	This project is currently short of the funds necessary to complete the planned project.
Newberg - Dundee	\$13.14 M	\$0.3 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	\$12.205 M	\$0.5 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/Federal Earmark funds.
OR22 @ Sublimity Interchange	\$7.0 M	\$4.5 M	\$3.5 M	The project currently only funds the first phase of the interchange. This additional funding will add the next segment which will replace the existing structure, improve Sublimity Road, and improve the EB ramps.

This recommendation, as with the previous plan, uses the following principles in preparing this modified proposal. (in no priority order):

1. Ensure that Area 1 retains a reasonable amount of the funds for other priority projects.
2. Place 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.

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 \$8.55 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 NWACTION'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 \$12.205 M allocated.

OR22 @ Sublimity Interchange

This project is currently funded at \$7.0 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 \$3.5 M will construct several additional elements of the full project.

Area 4

Pioneer Mountain – Eddyville

This is a project of statewide significance and is important not only to the Area, but the State. The project is currently \$12.2 million short of the funds estimated to complete the planned portion 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 Phases 1 and 2 is relying on a Federal Earmark through the reauthorization process to complete the funding. These additional funds will help reduce the reliance on the earmark. However, if the earmark does not become available in time, ODOT will advance funds from other projects until the earmark is finally approved. At this time the prospects for this earmark are very good. The Region is still committed to the Phase 1 and 2 project funded at \$72.5 Million for bid let in December 2005, with construction beginning in 2006. Assuming the earmark is approved, these additional funds will be used for phase 3.

Thank you for your leadership in helping assemble this revised redistribution plan. Based upon our consensus approval of this redistribution plan on May 23, 2005, ODOT is preparing the formal request to the OTC for the June meeting. I ask you to share this information with your ACT's and respective constituents. If you have any questions, please contact me at 503-986-2631.

Sincerely,

Jeff Scheick,
ODOT Region 2 Manager