

RVACT *Rogue Valley Area Commission on Transportation*

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To: Members, Rogue Valley Area Commission on Transportation

From: Pat Foley, RVCOG

Re: Summary of January 8, 2008, RVACT Meeting, ODOT Conference Rooms B & C,
White City

Date: January 9, 2008

Members and Alternates in Attendance: Arthur Anderson and John Vial, ODOT; Skip Knight, Medford; Tim Cummings, Grants Pass; Mark Reagles, Rogue River; John Morrison and Paula Brown, Ashland; C.W. Smith and Dale Petrusek, Jackson County; Paul Wyntergreen, Jacksonville; David Hussell, Eagle Point; Jim Raffenburg and Rob Brandes, Josephine County; Lynn Perkins and William Cecil, Talent; Bob Lewis, Phoenix; Ruth Keith, Shady Cove; Mike Quilty, MPO Policy; Ernie Garb, RVTD; Alan DeBoer, John Watt, Craig Stone, Mike Montero, Richard Smith, Stacey Kellenbeck, James Lowe; private sector representatives from Jackson and Josephine Counties

Members Absent: Butte Falls, Cave Junction, Central Point, Gold Hill and private sector representatives Reeve Hennion and Jeff Hunter.

Staff: Debbie Timms, Gary Leaming, Jason Sheadel, Bill Boyett, Jerry Marmon, David Pyles, ODOT; Pat Foley, RVCOG.

Other: Jim D'Alessandro, Alex Georgevitch, Bruce Sophie, Joe Wrabek, John Graves, John Batzer, Representative George Gilman, Rod Witham, Jerry Schneider, Frank Pulver, Kyle Bamford, Al Densmore, Donna Jean Wendle, Mike Kuntz, Betty Wheeler, Meg Landers, Wendy Enne King and Chris Jones.

1. Self Introductions and Roll Call

Mike Montero

Chair Mike Montero asked all participants to introduce themselves. Roll was taken. A quorum was present.

2. Approval of Minutes

Mike Montero

Mike Montero asked if there were any changes to the December 11, 2007 RVACT minutes. The minutes were approved as written.

3. Public Input

Mike Montero

There were no public comments.

4. 2010-2013 Modernization Program

Mike Baker

The 2012-2013 update has a total of \$3.6M available for the Jackson and Josephine county area. To date an application from Talent and three from ODOT have been received. Because of the proposed reductions in Modernization projects, it does not seem to make a lot of sense to select new projects for the 2012-2013 STIP update. ODOT staff is recommending that the \$3.6M be used for projects that are reduced or are short in funding. There are some large projects in the area that are short on funding; the Fern Valley Interchange and Highway 199 Expressway Upgrade. Mike asked the group if this was something that they wanted to consider or did they want to select projects for 2012-2013?

Comments/Discussion

Skip Knight Feels that this proposal is a good idea. This is an opportunity for us to support those projects.

Mike Montero said our job is to support capital improvements on the state system. Every project that is on the current STIP list belongs there. Because of economic circumstances that have national implications as well as legislative decisions that were made in the last legislature, we are required to make adjustments. The form those adjustments take is ours to recommend to the Oregon Transportation Commission.

Skip Knight made a motion: The RVACT allocate the \$3.6M for existing projects in the 2008-2011 Modernization Program in relationship to the state Modernization Program increased project costs. Mike Quilty seconded the motion.

Discussion on Motion:

Lynn Perkins: The \$3.6M was supposed to be spent for 2010-2013 projects. If we allocate these funds to projects that are ongoing now, does the timing coincide and will the projects continue on into 2012-2013? Response: We can shift funds forward or back.

A roll call vote was taken: The vote was unanimous in favor - 21 yes votes.

5. 2009 Program Plus-Up

Mike Baker

Handouts: RVACT Modernization Project Application and Project Scoring Matrix

Mike Montero stated that at the last RVACT meeting the department asked us to entertain the selection of future projects that might be funded with future revenues should the Oregon Legislature, in its 2009 session, determine that those additional funds are available.

Mike Baker said a total of four applications have been received. It is the staff's recommendation that these four applications be accepted and rolled into the new process.

Each community received another application (for Plus-Up) and a cover letter of explanation. The application deadline is February 1, 2008. If there are projects in your TSP that are on a state highway, you need to make sure that you apply for projects.

Art Anderson added this is least amount of project applications the ACT has ever received. There are usually 15 to 25 applications. We are going through this exercise with the potential of seeing \$140M annually across the state. That means \$25M over a biennium for this region;

\$12.5M per year. Typically we have received between \$10M to \$12M over a biennium. We are looking at \$50M for Jackson and Josephine Counties. It would behoove us to put together a list of projects. They do not have to be new projects; they can be tied into existing projects. Question: Even though the Fern Valley Interchange project is in the STIP does it need to apply again for the shortfall in funding? Response: Yes. We do not know how the legislature is going to craft the bill. There has been a lot of discussion that this next legislative cycle is going to have a big push for transportation. They could craft it where money is made available immediately or in a couple years. Art urged the ACT to come up with a list of projects at one and a half times the \$25M (near \$35M).

Representative George Gilman: He knows that a lot of these exercises are to figure out what you need. This list is vitally important because we are going to the legislature to try and sell a revenue package. Please work at this and come up with a good list for us.

Mike Montero asked Representative Gilman, "If you were going to assess what you think the likelihood is of having legislative support for some kind of funding package, how would you rate it?" Representative Gilman said 75%. He feels that it is quite high. In the past it has not been near that. The Governor and several business associations are behind it. He thinks that we are going to get something through. The Republican Caucus has not said no to any new taxes which are critical because they are going to need some of our votes to be able to get this package passed. He wants this package to pass the House, not with 36 votes but with at least 40 votes so that we send a strong message that Oregon is in favor of this revenue package.

Comments/Discussion

Stacey Kellenbeck asked, "If a project is removed from the 2008-2011 list for funding due to the shortfall today, do those projects need to reapply by February 1 or will they automatically stay on the list?" Mike Baker said no. None of these projects are in jeopardy except for the EA for the South Y. If there is a shortfall the answer is yes. They would need to reapply.

Mike Montero, Given the unanimous vote with regard to the 2010-2013 Modernization, would there be anything that would preclude us giving consideration to available future dollars that we come up with this Plus-Up on a first dollar basis to backfill these projects? Mike Baker said it is up to the ACT to decide how they would want to prioritize projects.

John Morrison asked if we can take the \$3.6M and apply that as an off-set to the \$6.5M so that we only have to reduce projects by about \$3M. Mike Montero said what I think I am saying is that the \$3.6M would be reserved. We have made a decision to hold those funds to backfill the \$6.5M. We still have a \$3M shortfall and maybe more given the published projections on Fern Valley and on Highway 199. I am suggesting that we can consider, if there are additional funds that come through a 2009 legislative funding package, making the conscious decision today to say that the number one priority for those funds would be used to backfill projects that are on our list. They would all be held harmless, albeit perhaps deferred. If there is a funding package perhaps not deferred at all. Mike Bakers said what you are asking is, can we take the \$3.6M and apply it against the \$6.5M in order to have a smaller deficit. The problem is that the \$6.5M has to go to Salem because it is being re-distributed throughout the state to the counties. We have to take cuts now. It doesn't come back to the ACT. The \$3.6M and the Plus-Up is something that the ACT could directly decide on.

Skip Knight said we could apply the \$3.6M to any of these underfunded projects. As I see it, we are not cancelling any of these projects. All that we are doing is postponing them to the future

until we get funds. We should go ahead with the projects that have total funding and corresponding cost estimates.

Mike Montero, We don't know if there is going to be additional revenues. But if there are, we can make the decision today that any new funds, not currently identified, would be prioritized to backfill any shortfalls on this list. This is a decision that we can make today. As far as the overall group of projects, we don't have \$50M worth of projects identified. We have until May to get that done. Mike Baker said the applications are due February 1st. We will make the decision on what those projects are in May. At the next RVACT meeting in March we will hear about some of these projects. One of the comments that Representative Gilman made is important for us particularly with regard to the energy that is going to be required of the jurisdictions to get these applications prepared and filed with ODOT. We have a process that probably isn't well understood outside of groups like this. The alternative would be to have the legislative bodies pick the projects. What the department is saying, let's be sensitive to our legislator's wants; they would like to have some certainty where those dollars will go and for what.

Skip Knight thinks this is a good idea because then we are not dealing with pie in the sky type projects. The legislators will know concretely what our needs are.

Mike Montero recalled what happened when we started the OTIA process. We programmed our projects to meet what we thought were funding guidelines and then, because there were more attractive bonding rates, we found out there was more money than we thought. We had to scramble. The other thing to be mindful of is that the OTC made an adjustment in the STIP about two years ago. They put in a look back provision for projects in the STIP. There is an obligation on the part of the ACT to look back and make sure that all of the circumstances that caused it to be put on the list are still there. That is yet another reason to over-program so that we have alternative projects should that become necessary.

Mike Quilty said from personal experience, with both the MPO and the City of Central Point, we found that because we had a project that was ready to go when additional funding became available, and somewhere else in the state a project couldn't be done, we got almost \$1M from ODOT to do work on Pine Street and Highway 99. We were able to use our federal dollars for another project. We ended up getting more than twice the amount of money that we thought we were going to get because we had a couple of projects there waiting to go into the funding stream and they were on the list.

Stacey Kellenbeck made a motion - The first priority for any 2009 program Plus-Up money; allocate Plus-Up funds to projects that are already identified in the shortfall list. The motion was seconded by Mike Quilty.

A roll call vote was taken: The vote was unanimous in favor - 21 yes votes.

John Morrison is in favor of trying to keep the projects that we have up and going. He thinks that Stacey's motion was a good one for that reason. He hopes that it is an incentive. But, in the past we have had situations, for instance in Ashland, where we had the Hershey/Wimer project up to the top of the list and then it seems to get off the list and other projects came up. I know that in the past it hasn't always been projects that did real well that stayed up at the top of the list. So if we are concerned about the projects that we are discussing today, I would urge that we do apply that and try to keep these at the top of the list so that new projects don't come in and bump them out. I understand there are times when circumstances arise that do move things up and down real quickly. We certainly put some of that into motion to move the Highway 199 projects ahead when we ran into serious traffic concerns and deaths on the highway. This body deliberated on

that and we re-prioritized and moved them ahead. I worry when we talk about moving things around and I also worry about things starting to slide down.

Alan DeBoer, as he remembers, the Hershey/Wimer project was the first alternate if there was more money. It has been this way for the last three years. Should Ashland reapply for that project?

Mike Baker said that it is incumbent for each jurisdiction to do that. He asked if Stacey's motion is clear to everybody. We are making a commitment to every jurisdiction that has a project funded on this list.

Skip Knight thinks that it should be restated that we are not cancelling any of these projects. We are postponing them until the funds become available. If there is a requirement by ODOT that the project has to be re-submitted, the jurisdictions should be in touch with ODOT to make sure that is or is not the situation.

Mike Montero said he understood that they don't have to reapply. Mike Baker responded by saying that if the project is already in the STIP and we are just doing a reduction, that is correct. They do not have to reapply. If the project is cancelled or is not on this list then they need to reapply even if you have applied in the past and if the project is short funded.

Art Anderson added for clarification, I agree that we need to look at these in priority order. I think that when these come back to the table for discussion depending on the costs of the project at that time. For example the two projects that we are talking about are not even done with the environmental assessments. There isn't a firm cost estimate. The cost estimates can go down or go up. I agree with you in talking about them in priority order, but leave ourselves the option in terms of phasability if costs are such that they are prohibitive or they produce a cost that you can't handle with this Plus-Up program. We are saying \$25M but what if we only get \$10M or \$15M. I think we have to be realistic in this area.

Richard Smith thinks that if that is the way it is going to be then it needs to come back to this body. We make the decision on whether you are going to cut it. Not just doing it unilaterally. Art Anderson said we do not make unilateral decisions on funding levels.

Mike Quilty asked ODOT to let anyone who is here today know if they need to do a re-application. That way we nobody will get caught short on anything.

Skip Knight still thinks that it is important to emphasis this is not a reduction, this is a postponement.

6. Modernization Project Reductions

Mike Baker

Handouts: 2008-2011 Modernization Projects; Proposed Reduction in ODOT's Modernization Program; Region 3 RVACT proposal for Modernization reductions

Mike Montero stated that at the last meeting we asked staff to prepare an analysis for our consideration with regard to what the different circumstances are with each of these projects that might guide us with regard to postponement of funding.

Mike Baker said that at the previous meeting we talked about a \$142M shortfall on the state's side of the equation. To address that the OTC has done a number of things including eliminating the remodel of the transportation building, they are using the unexpended funds (ending balance) and spending that down, and will enter short-term borrowing to make commitments. This has reduced the debt down to about \$70M. This all assumes that the problem on the federal side (the Federal Highway Trust Fund) is going to be resolved by congress. What we are talking about today is the piece that we have been assigned. Our piece of that pie is \$6.5M that we need to reduce out of the current 2008-2011 program. Suggestions were made to consider our own

criteria, the criteria that we used to help select projects. Use that to select or identify projects for reductions. We tried to come up with some guidelines. Big questions include: What kind of funds are used. Is the project leveraged by other funds? Does it have earmarks associated with it or OTIA funds, or local matches? What are the risks associated with reducing the funds? Is the project a development project? What type of money is there for construction? Is there any money out there for construction? These are the projects that the OTC has set at the lowest priority to keep. Those are obviously the highest priorities in terms of ones that we look in reducing. If the project is undergoing environmental work, what is the likelihood of that being approved? Where are we in that total funding stream? What type of decision do we need from the federal government to proceed? Does community support exist for the project? Does it support freight? Can the project be phased?

At the last ACT meeting we presented a graph of all the Modernization Projects that are in the Rogue Valley. Using that graph we developed another spreadsheet that identifies those projects and then took a look at different options to reduce the program.

Using the graph shown below Mike explained what each option included.

Region 3 RVACT Proposal for Modernization Reductions

Project Name	Current Amount	Option A Reduction	Option B Reduction	Option C Reduction	Option D Reduction	Option E Reduction
I-5 FVI Unit 2	\$7,470,000	\$0	\$5,900,000	\$0	\$0	\$0
I-5 Exits 14 & 19	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
South Y EA Grants Pass	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Hwy 140 Freight White City	\$2,009,000	\$0	\$0	\$0	\$2,009,000	\$0
US 199 Unit 1 Expressway	\$3,115,000	\$0	\$0	\$1,400,000	\$0	\$1,400,000
US 62 Owens Coker Butte	\$5,900,000	\$5,900,000	\$0	\$0	\$0	\$0
US 199 Unit 2 Expressway	\$4,500,000	\$0	\$0	\$4,500,000	\$3,891,000	\$1,500,000
TOTAL REDUCTION		\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000

Option Comments

- Option A: Coker Butte is not recommended for reduction due to its regional impact and significant leverage of other funds.
- Option B: Fern Valley interchange is not recommended for reduction due to its regional impact and significant leverage of other funds.
- Option C: US 199 Unit 2 and part of Unit 1 do not have significant community support. EA is at risk of not being adopted. Significant funding will remain on project allowing work on US 199 to start on west and continue eastward as far as funding allows.

- Option D: US 199 Unit 2 does not have significant community support. EA is at risk of not being adopted. Funding on US 199 Unit 1 will remain. Reduction on OR-140 project will cancel project and lose other freight funds.
- Option E: US 199 Unit and part of Unit 1 do not have significant community support. EA is at risk of not being adopted. Significant funding will remain on project allowing work on US 199 to start on west and continue eastward as far as funding allows. Reduction at Exit 14/19 will not leverage bridge funds. Bridges can still be repaired/replaced, but widening and other improvements would not occur.
- ***All options recommend a reduction/cancellation of the South Y EA/EIS. Project is significantly underfunded and has a high risk for success.

ODOT staff recommendation is Option C.

Mike Montero said that the charter states, on voting issues members have an obligation to make declarations of conflict of interests. He asked if there was anyone in this body that has a potential conflict of interests.

Alan DeBoer owns the shops at Exit 24.

Tim Cummings is trying to acquire property on Allen Creek Rd.

John Watt has a client who does construction work on virtually all of these projects.

Craig Stone's firm represents on the order of 150 client's projects. He suspects that we have client interests at stake on every one of these projects.

Mike Montero has clients who have projects on every one of these.

James Lowe is in the construction business, could be involved in any of these projects.

John Vial commented on conflict of interest. We asked the Department of Justice what is the appropriate thing to do for following conflict of interest rules and laws within the state of Oregon. The Department of Justice's recommendation is; you have to disclose that you have a conflict. If you feel you cannot be impartial in the process you have to excuse yourself. If you have a piece of property and you cannot get to the point of saying that I am not going to be biased you must excuse yourself. The Department of Justice continued to remind us that this body does not make final decisions. This body makes recommendations to the Oregon Transportation Commission. The Oregon Transportation Commission makes these decisions. Because of that we have some latitude as far as conflicts of interests.

Mike Montero said that if there is anybody who has a conflict and they view it would render them incapable of making an objective decision then you would want to excuse yourself from the vote. We will be doing a roll call vote and that would be your time to excuse yourself.

Comments/Questions:

Paul Wyntergreen asked if there was time sensitivity for any of the funding sources for these projects. Response: On some of the funding sources you will see that there are federal earmarks. Federal earmarks are in the SAFTEA-LU legislation which is passed by congress. That legislation expires September 30, 2009. If a project goes to bid after that there is no guarantee of those funds.

Tim Cummings asked where does the safety issue fall regarding the cuts we are making? It is real easy to put this list of projects and start cutting based on numbers. Response: That was not one of the guidelines. Tim: It seems like if there is a highway project that has more accidents than others; wouldn't safety be part of the criteria that we look at for making a decision?

Response: Art Anderson said you are probably talking about the Highway 199 Expressway Upgrade Project. That project has two components, the west side and the east side. The west side has been agreed upon as something that has to be done because of safety issues. The east side has more discussion and dialog around it. We have already produced a package that as soon as we get an environmental assessment completed that will allow us to get the project under construction as soon as possible. That is not to say that there are not safety issues on the east side. The east side is more passive oriented in terms of trying to streamline the movement of vehicles. Indirectly safety is being accounted for in that project.

John Morrison said most of the criteria that we are using here is pretty objective. But No. 5 addresses how much community support exists. That is usually pretty subjective. Since I don't live in Josephine County I would like to hear from our colleagues in Josephine County in regard to community support. I would like to know if they agree with that or could they explain it to those of us who are not as familiar with what is going on there?

Stacey Kellenbeck made a statement on behalf of Grants Pass and Josephine County. We are in agreement that that South Y Environmental Assessment should be removed from this list under funding considerations due to the shortfall and then postpone it if necessary and reapply to make sure that stays on the list. We also wanted to voice concerns for Exits 14 and 19. We think that project has a lot of merit and needs to stay high on the priority list. There is a lot of community support for the Highway 199 project. Everybody is interested in what happens there. Everyone wants the best outcome for the community and it just so happens that it is ODOT that is running through the middle of it. We have to work together and I think that that is happening. I think that the citizen's group is doing exactly what the state mandates. They are involved in the process. I have a document (press release) from the city manager of Grants Pass. This document is available if anyone wants a copy of it.

Tim Cummings said it is not very often that county commissioners, city councils and residents in Grants Pass agree on an item. Basically the process has been one that has been contentious because there has been a different bunch of plans. I think that there is a working group that has a plan that everybody is supporting. I think that ODOT is looking at that particular plan to try and evaluate it. We haven't agreed with their outcome so far. We have the county commissioners, the city council and the residents of Grants Pass that feel like it is the best thing for our community. The city has hired a private traffic engineer that has evaluated it plus a lot of city staff time has been spent on their plan. It has not been one that has just the residents putting together. It is with professionals. I think everyone is on the same page in feeling that it has fewer impacts to businesses in our community.

Stacey Kellenbeck added Robert Bernstein is the engineer that was hired by the city of Grants Pass to review all of the proposals and statistics on that. His findings are in this document also. They are very interesting. Look at public match, there is a lot of money that is local matched into his project that doesn't show up on this list because of things like the private engineer and staff time involved in working out a proposal that works for everybody.

Craig Stone asked Mike Baker, what led you to observe that there is not significant community support for Units 1 and 2? Response: I think there is a lot of support. The piece where there is a lot more concern is the section between Allen Creek Rd and Tussey Ln. The reason for the recommendation also is that we feel that we are addressing the area, there is still over \$12M on the project that allows us to address most of the safety issues. This area has a lot support. This is also the only project on the list that is phaseable which allows you to start at one end and move as far as you have money to go.

Jim Raffenburg agrees with what Councilor Cummings and Ms. Kellenbeck said. There is broad based community support for improvements to Highway 199. The only question is if the people will agree with ODOT on what the exact product is. That has not been decided yet. We won't

know that until later this month when the Project Development Team votes. I don't think there is going to be a big difference in the end. I am hoping the Project Development Team will work on something that ends up being what we can all agree on. That would end that speculation of not having broad support. There has been contentiousness certainly but so has there been contentiousness on Fern Valley. This goes with the territory. I don't think that it should be misread as not having public support.

Art Anderson said this project, as with any environmental assessment, was a public process with a Citizen Advisory Committee and Project Development Team. They developed various alternatives. However, ODOT has a policy that we do not want to move forward with a project unless we have support from the jurisdictions, specifically in this case, the city of Grants Pass and Josephine County. I think that is where the issue of the word contentious has been brought up. There have been various issues that have occurred through the life of this project that have raised concerns that have been categorized as contentious. We hope we can work through the issues and come up with an alternative that works best for everybody.

Mike Montero said that having been through several CAC and PDT processes, Jackson County has had their share too, most recently with Fern Valley and the South Medford Interchanges. I am reading it as there is support from ODOT for this project. It wouldn't be on this list if we didn't all agree that it needs to be on the list. Where you maybe now is where these other projects have been in the past. There was broad agreement that there was clearly a need and that there needed to be funds dedicated to some remedy. With the South Medford Interchange we thought there was broad support for an alternative until we had a citizen's group decided that they were so aggrieved by it that they wanted to amend the city's charter. I suspect that if we had been then where we are now with the South Medford Interchange we would have had to look at it and say yes there is a support for a project but what project? I don't know if that is where you folks are or not. I think it is where the Fern Valley Interchange project was up until just a few months ago. It is a tough situation. For us on this body our obligation is to the state system. I think that the two decisions that we have made here to identify future funds and their use helps take the sting out of it but we are at a point in time where we have to say for the sake of the state system which of the projects are we going to defer.

C.W. Smith just heard there is broad support from the city county and the community to do this. There are three legs to the stool and that includes ODOT's compliance and agreement. You have admitted that you don't quite have that and you are working to get there.

Art Anderson added ODOT administers the environmental assessment. We don't own the decision from the environmental assessment. We are not saying there are alternatives out there that are ODOT's alternatives. ODOT staffs the process to get the alternatives in line. C.W. Smith: I didn't say that. They are saying they can't find agreement with ODOT. Art, what I am telling you is there is no need for them to be in agreement with ODOT. There is a process called the Environmental Assessment, that Environmental Assessment operates independent of ODOT. ODOT doesn't have an ultimate trump card in that solution. C.W. Smith asked are saying that the Environmental Assessment is at risk of not being approved. Art responded, it is close to being approved. We are saying that based on the Environmental Assessment ODOT is going to support the alternative that comes out of that. We are just trying to make sure that we have city and county support for that so that we can move on.

Question: It was asked if we are under a crunch to get this done today. Can this be put off for a month? I think that a lot is going to happen at that meeting at the end of the month. Response: The decision needs to be made today.

Richard Smith said that the Coker Butte project has not started. Why is it being considered when Highway 199 will probably be approved and ready to go within two or three months? Response: Coker Butte is also tied to the Owens Drive Project. This is a project that the city of Medford is

doing. They have been able to secure some expensive right-of-way and substantial improvements. It is moving forward will be ready for construction well before Hwy 199. It is under design right now.

Alan DeBoer likes Option A. I have been hesitant with Owens Drive and Coker Butte for a long time. I have spoken out against it. I still think that people on Cardinal Drive need to understand that they are losing their light and left turn privileges. I don't think those businesses are aware of that yet.

Paul Wyntergreen asked what if Coker Butte was delayed. Is there any sensitivity on any of the funding sources there? Response: There are OTIA III dollars with some bond sensitivity. They have three years to do the project once they sell the bonds. I don't know where that is, but that would be one potential sensitive area. The rest would be the city of Medford and I would have to defer to that.

Stacey Kellenbeck, looking at Owens Drive and Coker Butte, and since we are not talking about completely removing projects but rather delaying their funding, wouldn't it then be possible to still continue with those match dollars and right-of-way acquisitions in a phase type of procedure with the money that wouldn't be available immediately.

Alex Georgevich answered by saying we are looking to start construction in the spring. We are working with WalMart for an easement. In the next 3 to 12 months we would like to be under construction for a piece that would extend all the way to Lear Way. That project would be in jeopardy if we don't move forward. There are also other matches from Lithia and developments in the area that if we postpone I am not sure that they may be willing to postpone with it. We are pretty far along in this project. We have also working with notifications to property owners. Cardinal probably had some notification. We are primarily notifying property owners with direct impacts, secondary impacts will follow after that stage. There has already been notification of the project. We also made application to our planning department.

Stacey Kellenbeck said Home Depot is looking to set up shop in Grants Pass. In order to do that they have to solve the problem of six ailing intersections most of which are on ODOT facilities. We have said thus far that is Home Depot's problem. With regards to Owens Drive and Coker Butte and Wal Mart looking to set their business there, how much of that is RVACT's problem to solve the funding for and how much of that is for businesses wanting to come in?

Alex Georgevich said WalMart is already there. They are looking to do some reconfigurations for their store and we are trying to work with them to time their redevelopment to allow us to take advantage of their parking lot to create access to Lear Way. We feel it is a critical link to the project. Right now the project is stopping in the parking lot but the long term solution is to punch it all the way through. This came through the RVACT in order to fund the additional driveway. We went out and worked with WalMart since that time. Over the last three years ODOT and the city have worked to find a solution and we have finally come to an agreement. I think that if we pull the funds on the project now we could jeopardize that development.

Art Anderson, speaking for the District Manager, said this project, from an operational standpoint, has been on the TSP for about 10 years. It was never intended to be built to service Wal Mart. It was intended to try to take off the extreme roading that we have on Delta Waters. The increase in traffic in the area has caused a huge bottle neck on Highway 62. The whole development area to the west brought more traffic from for both the north and southeast. Everything right now either comes down to Cardinal, which is near Costco, or from the other direction which comes in by Delta Waters. The long term scheme was to make traffic flow better on Highway 62. The piece on WalMart was an added benefit and that is why the ACT decided to cut it short and not pay for anything on their property. That would have been an added benefit to Wal Mart and that is why Wal Mart has verbally stated that they would provide

the private property with a public easement on it which would enhance the movement from Highway 62 for the back part.

Skip Knight said there are other issues. Number one, this is a safety issue for Highway 62. We have been talking about safety issues in Grants Pass. This is a safety issue for the city of Medford. The signal at Cardinal Way was only a temporary situation. Looking at safety and also the transportation circulation in that area this is extremely important for Medford. Not only is it funded, the available funding is there, the cost estimate is the same. To me it should be done. I understand where some of you are coming from and I know that Alan hasn't liked this project from the very beginning. But this has been in the process for the better part of 10 years. To ignore this and let all of those funds go away would be ludicrous in my opinion.

James Lowe asked if this project will add lights on Highway 62. Response: No. The signal at Cardinal is moved to Coker Butte. James: asked how does OTIA money come into play? Response: OTIA is on the Owens Drive section.

Alan DeBoer said his initial concern was when we were going to pay approximately \$1M to Wal Mart for an easement and the initial plan had a four-way intersection that dead-ended into Wal Mart's and Costco's parking lots without a street going through. I am totally opposed to paying WalMart a huge amount of money. I am glad to hear that although we were told it was not possible to get an easement from WalMart that is now achievable. I think that the extension is great. I don't want to create a four-way intersection with a street light that dead-ends into somebody's parking lot. I also think the people on Cardinal need to be notified. I am hesitant when you say they think they have been notified. When I talked to them two years ago nobody knew what was going to happen at Cardinal Way. Keep in mind that if that light is removed there will be a concrete barrier that goes down the middle. I think it is critical that if you are going to build that intersection a public street has to go all the way through to Lear Way.

Skip Knight feels that Costco and WalMart are destinations. People are going to find a way to get there.

Tim Cummings, the interesting thing is that Redwood Highway has been an issue for a long time. There are more deaths and accidents on Redwood Highway. It seems you are accommodating development that occurred in the last fifteen years or so. It seems like the planning wasn't good. I am still prejudice towards Redwood Hwy and the accidents. I heard that the Coker Butte project has been there for ten years. I think Redwood Highway has been a dangerous road for longer than that.

Alex Georgevich understands that Highway 199 has a lot of merit for safety. The planning for the Coker Butte project has been in place for over fourteen years. When that site was developed, it had a planned set of legs to alleviate the issues that are going on today. We have been building these in pieces. Owens project is about 50% built. That is part of the city's match. The west side Coker Butte has been built. Lear Way has been extended. We are trying to do tie a bow on this and make it all come together. We are finishing the circulation plan that was envisioned over fourteen years ago. This is why I think it is a critical project.

John Vial Highway 62 is a highway of statewide significance and was a safety corridor. The safety corridor was recently decommissioned. The reason it was decommissioned as a safety corridor is because it had become so congested that no one can speed fast enough to kill one another. There is still a very high accident rate on it. A comment was made about Home Depot in Grants Pass and them being asked to mitigate failing intersections. Highway 62 has had failing intersections for a lot longer time than Redwood Highway has. Redwood Highway is also a facility of statewide significance. It is also a safety corridor and has a lot of failing intersections. There is a lot in common between these two facilities and to make an argument that one is more safe/unsafe than the other or one is more congested, I am not sure the answer is there. When Wal Mart, Costco and the shopping center was built, they mitigated their impacts and spent large

amounts of money to make improvements to the local street network and to Highway 62. Since that was done the background traffic has risen to the level that those mitigations are no longer effective and we are looking for a larger solution. That larger solution has been in the works for a long time. It wasn't that WalMart is doing something now and Medford is letting them off of the hook. Those impacts were mitigated long ago.

James Lowe asked if there is an understanding between Josephine County and Jackson County regarding the 30/70 split. Is that in the charter? Was the 30/70 split used in the guidelines, especially for Option C? Response: We have guidelines for selecting projects but we do not have guidelines for de-selecting projects. I think that the idea was to look at things across the board from a variety of aspects: Which projects are fully funded and which ones may be under way already? Which projects have a substantial advantage? Which projects have some risks associated with them? Instead of saying we are going to make a 30/70 cut, we felt we ought to use some guidelines.

Mike Montero said that we struggled mildly with that issue because it is one of the contentions between the two counties. We lament that this exists at all. Our charter says that RVACT is committed to make it a goal. I believe there is a monitoring provision in so that it doesn't get lost. I think that the reason we set it as a goal rather than to make it some explicit mathematical equation was just that these kinds of projects and funding levels are a fluid proposition. That is why it wasn't made hard and fast.

Stacey Kellenbeck, we have talked a lot about statewide significance. I want to put my plug in that Highway 199 is the gateway to the coast for the region. It serves just not commercial development but a greater purpose on a lot of different levels. I definitely can appreciate the importance and the amount of work that has gone into Owens Drive and Coker Butte project and I am not saying that we should wipe all of the funding off of the board. But I haven't heard a clear reason why it isn't a phaseable project or why some this money, whether a local match or a TSP can't be used now since we are talking about deferral of funds and not completely eliminating funds as we voted earlier. I think that everybody in one way or another has recognized that Highway 199 Unit 2 is an important project and that is why it is on the list to begin with. We are just saying leave it on the list.

Skip Knight said the Owens and Coker Butte project has been in the phase for fourteen years. Because of the development in this area Medford has become a regional shopping area. We serve about a million people. We hope we get concurrence from RVACT to do the project. The funding is available and the cost estimates are the same. It seems to me that it would be somewhat absurd not to do this project.

John Vial cautioned the group, if you are trying to argue the merits of the importance of Highway 62 versus Redwood Highway you are going to have a hard time finding an answer. They are both highways of statewide significance. They both serve as important links for freight and for the communities. They both have tremendous safety and congestion issues. If you are trying to say the Redwood Highway is more important than Highway 62 or Highway 62 is more important than Redwood Highway you are not going to get there. They are both vital and critical links that have to be fixed. We have to do both of these projects eventually.

John Morrison thinks this is a problem we are facing because of money. The answers are found in money. We are starting to pit our projects against each other. We have had these discussions before. Picking up on what John has said but I want to clarify something. We have been presented five options. I don't think we have stick to any of those. We can actually craft an option of our own. That option should be based on the greatest utility, the one which threatens the smallest number of projects, the one which offers us the best chance of not losing any of the leveraged funds or at least the smallest amount of those leveraged funds and the one that allows us the best option to phase over time. I am far more interested in looking at something like that,

As much as I appreciate Stacey defending the freeway interchanges at Exits 14 and 19, that is fully funded and there is a lot of good reasons for it, I am not saying that is off the table just because they are in Ashland. I think we have to focus on the money aspects to come up with something that meets what we need to do which is to go to the OTC with a \$6.5M reduction which still leaves us those other options which over time we can backfill with other money and that we don't endanger a project entirely because we have taken too much from it. How can we do that? Where do we come from to get the best of meeting those three things with an array? If the \$600,000 is a part of it maybe at Coker Butte, instead of giving up \$6M can give up \$2.5M or something to that effect. That project can still go ahead being \$2.5M down when we will backfill it at a later date. That is what I am after.

Cory Crebbin said in answer to Stacey's question this project has been phased. There is a whole circulation plan out there. We built Lear Way. We built Coker Butte. We built part of Owens which much of it stands vacant because it hasn't been connected. The reason that Owens and Coker Butte have been combined is because of the traffic signals on the state highway. We need the connections. If you look at this project there are a lot of pieces of Crater Lake Avenue and other streets that are not being constructed. The only segments proposed are the ones that are necessary to support the signals on the highway.

Skip Knight proposed that we take the projects on the list that are fully funded and approve those projects today. We can postpone the other projects and phase them in the future. I think that is the best way to do it and then we can deal with the other issues once we have done that. Skip made

a motion for the above

There was no second to Skip Knight's motion.

Stacey Kellenbeck has been here about 3 ½ years and has yet to see an actual fully funded project without changing the material costs. She wonders if it is more important to put precedence on projects that have earmark dollars. Response: That definitely comes into play.

Mike Quilty knows that we have to come up with \$6.5M to send to Salem. If we pick on Redwood Highway, since we are talking about it being a phaseable project, how does that affect the actual build-out of the Highway 199 project? Does it really slow it down if we say we are going to backfill when the money becomes available? Response: The answer is pretty clear. We can't build Unit 2. We just want to have so many dollars. We would need additional funding to do that. It slows it down in the fact that we now have to make up that difference. When would we be able to make up that difference?

Mike Montero said this is the time where we need to focus on how we are going to make this decision. We can either vote on the Options as presented or come up with a hybrid option. He asked Cory if it was his understanding that the soft match is not phaseable. Cory there are letters available but I do not have them with me.

Tim Cummings said it is ODOT's responsibility for Highway 62's intersections and lights. It seems like you are addressing all the interior development. Does that become ODOT's responsibility? It seems odd to me that the developers don't take a larger role in paying for the interior part of development. Response: There is a lot of infrastructure that is already built. What they are doing is putting in signals at two locations and removing one signal and then building adequate capacity to the east, which is opposite of where the development is, to be able to handle traffic that is coming in and off of Crater Lake Avenue.

Jim Raffenburg, we have all heard that every one of these projects has merit and needs to be built. I don't think any of us question that. I think that we are at a point where it comes back to the Charter of this organization and the fairness that was worked out under that 30/70% split. I

just noticed that under ODOTs preferred option it seems like 100% of it comes from Josephine County. I want to ask all of you to consider the fairness issue when you cast your votes today. Maybe we need to take more than 30% but is it fair that Josephine County loses 100%.

Stacey Kellenbeck made a motion. We defer the South “Y” Environmental Assessment and so we are talking about \$5.9M and not \$6.5M. We also remove from financial consideration as far as reductions go, the two projects that have earmarked funds that would be completely lost if the funding was questioned. Those projects are the Fern Valley Interchange Unit 2 and US 199 Expressway Upgrade. My motion is to remove the South “Y” and positively keep Fern Valley and the Expressway Upgrade Unit 1 and then look at the big picture after that. Richard Smith seconded the motion.

Discussion on Motion:

Mike Baker stated, you are correct on the Fern Valley Interchange, that project is not fully funded and there could be a loss of funds. On Highway 199 Upgrade Unit 1, the RCC to Midway piece that contains the \$2 M is ready to go. That is the piece with \$2M from the federal earmark and the \$12268M grant from the state for safety. I don’t think there is any danger of losing the earmarks on that one.

Jim Raffenburg wondered what we are voting on. Are we voting on leaving the \$3,115,000 or are we voting on taking out the \$1.4M?

Alan DeBoer said he would like to see a motion that gives us the final option rather than piece mealing ourselves into it. I have been a part of this since it started. Annually I expect a report on the distribution of funds and certainly look at that 30/70% agreement. We look at it once a year. It is not something that we forget about. Clarification: It is a five year review. The equity is to be back and forth over five years.

C.W. Smith is worried about the staff that worked to put all of these options together and the management that they commit their careers to and trying to figure out the best way to go. I take them at their word when they try to figure out the most reasonable way based on the level of where everybody is at the time they are in the queue for the funding. I would just as soon stick to the options as presented and not get into this nickel and diming and whittle our way into figuring out how staff is going to put it together.

Craig Stone agreed with the comments from Commissioner Smith and Alan DeBoer. He is content to deal with the options that were placed before us. We have the authority to mix and match but I think that the options have been put together in a way that we can embrace one of them. I am going to vote no on this motion. I don’t like the notion of back our way into it.

Lynn Perkins feels we should go back to the original options and vote on them.

A roll call vote was taken: The motion did not pass. 14 No 7 Yes

John Morrison is not persuaded by the argument that we should just stick with options that we have. John made a motion: Eliminate \$600,000 from the South Y EA, take \$2,450,000 from Highway 199 - Unit 2, and take \$3,450,000 from Coker Butte. The motion was seconded.

Discussion on Motion

John Watt asked what the impacts would be to both of the projects. Art Anderson explained, the Coker Butte project is under design and is planned to go out to bid at the end of 2008 or early 2009. The project could go to the end of design and then would not be able to go out for bid. Regarding Highway 199 Expressway - Upgrade Unit 2, there is really no impact at this time

because if we have it at the top of our Plus-Up list (if it comes in 2009) you will be looking at giving money there. Right now we do not have enough money to build that project. John went on to ask what the benefit is if we only take the \$2,450,000. How does that make it better? Art replies it doesn't make it better. It says that instead of us having to find \$4.5M we only need to find \$2M additional. The problem is that project needs about \$10M and we only have \$4.5M. You wouldn't be able to go ahead and do anything until we acquire more funding. John stated as I understand this, you would be damaging one project and not benefiting another. I can't support this motion.

Skip Knight said we are not cancelling any projects in this process. We are postponing projects until the funding becomes available. I don't understand why we are messing around with this whole thing. There are projects that are fully funded. Let's approve those projects. Those others are put on postponement until the funds become available which we hope will be in the 2009 legislature. It seems pretty simple to me. We are getting pretty convoluted here and messing up the whole process. We have a motion on the floor but I would prefer approving the fully funded projects and put the others on postponement. Nobody is hurt that way. Grants Pass when the money becomes available, they get their projects. The ones that are in Jackson County, we will get our projects completed. Everybody comes out a winner in 2009 if the money becomes available. If it doesn't become available then we deal with that prospect at the time. Now we are just going to make a recommendation to the OTC and the state legislature that this is what we prefer in southern Oregon.

Stacey Kellenbeck asked Mike Baker, regarding Unit 2, if all funds are removed from that project like the South Y, does that leave the city of Grants Pass in a position of completely reapplying for that project as opposed to if we left some money on this spreadsheet towards this project. Is there a difference in the application process? Mike Baker: I think that the application process would be the same. You would have to fill out the same application whether it was a new project or whether you are asking for an increase. Art Anderson added, I don't think that it goes away as a STIP project because we are going through this exercise due to the actions of the legislature. If we take it down to zero we can still keep it as a project in our STIP. Mike Baker explained that if we take the funding on Unit 2 down to zero that project is gone. The money that we reduced from Unit 2, if I had money left, would likely be amended into Unit 1.

Mike Montero added we made a commitment, on two unanimous votes that they would remain in the STIP. Mike Baker: I am going to have to be creative.

John Morrison said one of the reasons I phrased this motion the way I did is because I did not want the project to go down to zero. I wanted to keep it in there to keep it in the pot. As Stacey pointed out, there is a question that if something goes to zero it practically disappears. If it stays in there with \$2M that is a starter toward moving ahead. It is my concern that we don't lose any of these projects.

Skip Knight added that what I want to do would do that because you are not cancelling anything you are just postponing it, keeping the money there as much as you possibly can, and when the money becomes available go ahead and do it. What I proposed will not do what you are talking about; it will not run it down to zero.

A vote was taken: The motion did not pass 13 no 7 yes

Lynn Perkins made a motion. Approve Option C as our recommendation for RVACT. Ruth Keith seconded the motion.

Discussion on Motion:

Mark Reagles asked if it is appropriate to throw out another option while we have one that has been motioned and seconded for discussion purposes? I make a motion to amend Lynn's Remove \$1.4M from Coker Butte, remove all but \$10,000 from US 199 Unit 2 and the South Y EA. The motion amendment was not seconded. Mark withdrew his motion amendment.

John Watt wants to know what the all the ramifications are when voting on Option C. Mike Baker: Because dollars are not taken from the Fern Valley project there are no impacts to that project; It does not remove the leverage of OTIA III for Exits 14 and 19; It takes away the environmental assessment for the South Y; It keeps the Hwy 140 Freight Project going forward: It affects the Highway Expressway Upgrade Unit 1 by taking \$1.4M out of it. \$12M will remain to go forward with the RCC to Midway safety project: It does not take funding away from the Owens/Coker Butte Project: It takes away \$4.5M from the Highway 199 Expressway Unit 2. I think there is a way we can combine Highway 199 Expressway Units 1 and 2 and put the total cost estimate in there so that it would not be lost in the process. As far as an impact, we don't have sufficient money for Unit 2 right now.

Tim Cummings said we saw this coming. I think we are kind of surprised that it took this long. I hope that we are just putting these off. I am not convinced of that given some of the economic trends that we are seeing. I hope that is the case. ODOT staff recommendation of Option C with a 100% reduction in Josephine County is a big gulp to swallow from our end of the valley.

Jim Lowe concurs with Tim. Looking at the \$21.5M cost estimate for Unit I is interesting in that they can come up with an estimate when we don't even know what is supposed to be built. I hope when we go in our five year review (30/70% split) that five years and it will be equal. I am having a hard time looking at the 30/70% split. In five years we get a fourth bridge I will be happy.

Skip Knight said I have been on this board since its conception and there have been a lot changes in who is on the board. We have always been very sensitive to what both Jackson County and Josephine County needs. The last time we had the 30/70% review it was amazing. It was right down to the 70/30 split. I know you are discouraged at this point in time. We are not trying to under mind your situation at all. All that we are saying is have a little patience.

Paula Brown stated for the record, Ashland will be voting no because we think there is a better option that we could put on the table rather than taking all of the projects from Josephine County.

Craig Stone said he is going to support this motion. He thinks the money will come back. Our charter provision that talks about the 70/30 split requires us to do that over an extended period of time and not that every action that we take be calculated to produce that 70/30 equity provision. While it might not appear equitable I think that as of today with this motion I think it will come back. You will have full support. I hold the Highway 199 projects in high priority. It makes no sense to do that today. To leave money in for Josephine County projects for which there will be no short term benefit and take a big whack at projects that would otherwise be built doesn't make any sense to me. If we are going to vote no on this motion merely for reason of making it look good under the 70/30 split, then we are not doing our job.

Tim Cummings is concerned about the economy. To think that we are going to have a pot of gold that funds Grants Pass on a promise, I don't feel very good about that. I have learned in my life that if you don't have it in writing it doesn't mean a whole lot. The other part is, just as we left here last meeting thinking that we were going to be meeting on our regular schedule in Grants Pass that is how we left. Again we discussed it outside and we really had this whole meeting figured out where we would be at today. The outcome of this meeting, after our meeting as we discussed it after last meeting, we figured the venue would be changed. We wouldn't be back on schedule with the regular scheduled meeting in Grants Pass. We are here to

represent Josephine County so we are a little biased as far as our wish to support some of our projects.

Ernie Garb feels that the critical issue is that Coker Butte is fully funded. Grants Pass' Redwood Highway is not. I can't see saying no to a project that is fully funded and yes to a project that we have to get money from some place to do. I will vote for a project that is fully funded and defer to a project that isn't fully funded.

A roll call vote was done: The motion passed 12 Yes 8 No

Mike Baker said that based on this decision, applications will need to take place for the South Y EA and he suggested filling out one application for Highway 199 which would combine the remainder of Expressway Unit 1 plus all of Unit 2. This would also apply to Fern Valley.

7. Transportation Enhancement Workshop

Art Anderson

Because of weather conditions the workshop has been cancelled.

8. Agenda Build/Next meeting

Mike Montero and Art Anderson

Items suggested for the next RVACT meeting are.

1. Discuss 70/30 split
2. Discuss Connect Oregon applications
3. Discuss applications received for Plus-Up
4. Elect RVACT Chair