

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 July 8, 2008, RVACT Meeting, ODOT Conference Rooms B and C, White City, OR

Members and Alternates in Attendance: Al Densmore, Medford; Ernest Garb, RVTD; Mike Faught, Ashland; Jim Lewis, Jacksonville; Lynn Perkins, Talent; Tom Humphrey, Central Point; Bob Lewis, Phoenix; John Vial, Jackson County; Tim Cummings, Grants Pass; Ruth Keith, Shady Cove; Jim Raffenburg, Josephine County; Mike Quilty, MPO; Arthur Anderson, ODOT; Reeve Hennion, Mike Montero, Craig Stone, Alan DeBoer, Richard Smith, Jeff Hunter and James Lowe private sector representatives from Jackson and Josephine Counties

Members Absent: Butte Falls, Cave Junction, Eagle Point, Gold Hill, Rogue River, and private sector representative Stacey Kellenbeck

Staff: Paul Mather, Mike Baker and Gary Leaming, ODOT; Pat Foley, RVCOG

Other: Jane Randleman, Dick Leever and Allie Cyr ODOT; Paula Brown, Ashland; Alex Georgevich, Medford; William Cecil, Talent; Paige Townsend and Tim D'Allesandro, RVTD; Rob Brandes, Josephine County; Representative George Gilman

1. Roll Call
Mike Montero

Roll was taken. A quorum was present.

2. Approval of Minutes
Mike Montero

Mike asked if there were any changes to the May 13, 2008 RVACT minutes. The minutes were approved as submitted.

3. Public Input
Mike Montero

Mike invited members of the public to make comments. There were no public comments. Mike Quilty announced that the Big Look Committee has a draft document and is looking for public comments through July 17th. Comments can be made on their website. Pat Foley will

email RVACT members the website location. Mike went on to explain that the Big Look Committee was put together by the legislature and the governor in order to take a look at land use legislation and what needs to be done to make it work better. They have spent a couple of years collecting public testimony around the state.

4. Review Earmark Requests

Art Anderson, Mike Montero

Handouts: 1. Commission Earmark Policy; 2. Earmark Guidance; 3. Earmark Proposal Forms- a. I-5 Truck Climbing Lanes; b. US 199 Expressway Upgrade; c. OR 62 Corridor Solutions Unit 2; d. I-5 Fern Valley Interchange; e. Table Rock Road, I-5 to Biddle Section; f. Scenic Drive, Grant Road to Highway 99; g. Garfield Avenue, Peach to Columbus; h. South Gateway Transit Service; i. RVTD Expanded Service Hours

Mike Montero briefed the committee on the procedures that will be undertaken today regarding the earmark request agenda item: 1) The committee will not prioritize or vote on the earmark requests today because there have been new projects submitted and 2) The new earmark process will be reviewed along with submitted earmark applications.

The Oregon Transportation Commission (OTC) has said they are not depriving any jurisdiction of pursuing their own independent earmarks. However they say it might be to our collective advantage for ACTs to look at projects that currently do not have funding and determine whether or not there is a match. They are hopeful that by vetting these different projects through a process like the RVACT has developed for STIP projects will give them a more defensible list of projects that they can forward for earmark purposes.

Mike Baker said some of the other things that they are looking for are strategic investment and strong project support from different areas. They are also looking for projects that will be ready to go to construction (have all environmental, design, and right-of-way of acquisition done) before 2015. There is a match requirement. Sometimes it is a blessing to get earmark funding and sometimes it is a curse because typically you don't always get the amount requested. If you asked for \$10M and receive \$1M you better be prepared to come up with the additional \$9M.

Mike Montero asked the committee to refer to the Earmark Project Eligibility Requirements. Some of the projects submitted for earmarks have previously been discussed. Mike asked the jurisdictions to verify that the criteria for these projects are still met. If there is new information now is the time to let Mike Baker know so that he will be able to develop a matrix for our next meeting.

Art Anderson added this is the first time we have gone through this process and we do not have all of the answers. We are being asked to select between one to five earmark requests that are tied to highway projects. We are able as an ACT to support transit projects but they will not be a part of the priority list. The Rogue Valley Transit District (RVTD) has two applications.

Typically the requested dollar amount of projects in the reauthorization bill is not more than \$25M. Usually they're between \$5M to \$8M and up to about \$20M. We are considered a large ACT throughout the state and we will probably be allowed to have some larger funded projects. We also need to vet projects (within the MPO area) through the MPO. Our plan is to have the MPO look at these earmark requests and give their input at their August meeting. At the September RVACT meeting we will have Mike Baker's analysis on the STIP eligibility criteria

and the MPO's input. We will develop a priority list of projects and then vote on a package to forward. Today we will go through the projects, have the jurisdictions or agencies brief the projects and answer questions.

Earmark Project Applications Submitted

1. U.S. Highway 199

West Section Phase 1

- RCC to Midway. Construction began yesterday

West Section Phase 2 and East Section (Alternative A)

- RCC to Dowell Rd. This is in the planning stages.
- Dowell Rd to Tussey Lane

Project Cost: \$32M

Total Earmark Request: \$23M

Mike Montero reminded everybody that two meetings ago this commission made a commitment to two projects. One of those projects was U.S. Highway 199. We are on record that new dollars would go to this project. Based on the criteria, he asked if anything has changed that would disqualify this project.

Discussion/Comments/Questions on U.S. Highway 199

Jim Raffenburg asked; when you say change what is your point. He is not aware of anything that has changed.

Mike Montero said then that is the answer. It was a qualifying project before and if it continues to meet the requirements and the representative of Josephine County says that it does, that ratifies the prior decision that we made.

Tim Cummings asked what kind of support is needed from the city council and the Josephine County commissioners. He thinks improvements are needed. If a No-Build alternative is selected he doesn't think that is the right choice and he doesn't think the city council would support a No-Build project.

Mike Montero stated the criteria say the project has strong support including support from local government agencies and or statewide advisory bodies, public, business community, etc. With ConnectOregon they had the same process and the same kind of requirement. In that process it strengthened the application when they had letters of support. Mike asked if this is something that the OTC will be looking for. Mike Baker said that even if the OTC doesn't require letters of support he guarantees that the congress will. This is extremely important.

Tim Cummings said the controversy has been because there were three different plans supported by three different groups. The city council had a Working Group Plan, ODOT supported Alternative A and the CAC supported Alternative C. He thinks everyone supports improvements. He doesn't know if everybody is on the same page on what plan they do support. He asked if we need to get onboard for supporting ODOT's recommendation. Art Anderson said we have gone through the NEPA process; we have a decision in the EA. A build alternative has been selected. The earmark on this project is worded to do all of the work from Rogue Community College

(RCC) east to Tussey Lane. The legislative and the federal folks are not going to get into the minutia of what alternative or whether there was an argument. At our level, if we want support for additional funding, we have to write letters of support. We have to be able to say yes we support the project. At this point we have gone past the point of what is the alternative to be selected. It boils down to if the city and the county won't support the selected alternative, then where do they stand?

Tim Cummings replied that his question will come back to specifically address Alternative A for support, not just from the county commissioners but also from the Grants Pass city council.

Art Anderson replied that the way we would tackle this is that we would express support for the project that has moved on in the environmental process.

Tim Cummings believes that we have all come to the conclusion that we may have not won but what we do is support a build solution and not a No-Build solution. Going forward is really important for safety reasons. He will talk to Laurel Samson and ask her to get a hold of Art Anderson to figure out what kind of action the council will need to take to go forward.

Mike Montero added, without prejudice to this project, the next item on the criteria list talks about readiness. I think if we were all sitting there with our pen writing a check with the expectation that it is going to get done it would appear that the more solid the support greater likelihood is that they are going to cut the check.

Mike Quilty said that what he has seen when dealing with MPO's across the country and other jurisdictions in this state, if you have gotten to the point where you have gone through the NEPA process and you have crossed off all of the boxes that the federal government says that you have to before you take and you make an application for funds and then someone stands up and starts screaming about it is not the one this section of the community wanted, there is always someone else out there who will willingly take that money and spend it on their project. If you have gone all the way through the process and there has been a selection made that is legally justifiable, if you want something built you need to get behind it.

Mike Montero asked, based on the discussion is everybody solidly in agreement to leave U.S. Highway 199 on the list? Art Anderson said yes. There is probably a little bit more to discuss as Councilor Cummings was saying in terms of the support aspect and letters of support. Mike Montero added there are references to statewide investment bodies, i.e. transit and freight. Securing support from them would be helpful.

Overview of ODOT Projects – Gary Leaming

2. I-5 Sexton Summit Passing Lanes

This project would build an additional lane on the ascent of Sexton Summit on both sides. This is the highest summit of the three in this area. This project will help the safety and mobility as freight continues to increase.

Total Earmark Request: \$23M

See No. 1 U.S. Highway 199 (Discussion/description on project above)

3. Highway 62 Corridor Project

There is \$23M currently committed to this project. Request is to go toward protective right-of-way once the EIS is complete. The Draft EIS is nearly ready for release. Anticipate having the final EIS in a year. This will be a phased project from Exit 30 to White City. The strategy is to begin buying right-of-way with requested funds.

Current dollars	\$23M
Total Earmark Request:	\$20M

4. Fern Valley Interchange

This is a \$55M project. There are two alternatives under consideration – 1) Fern Valley Through and 2) North Phoenix Through. The Draft EA should be completed in the fall. The IAMP is currently being worked on.

Est. Project Cost	\$55M
Total Earmark Request:	\$15M

Discussion/Questions/Comments on ODOT projects

John Vial asked, what happens to the Fern Valley project if they don't get the \$15M? Art Anderson replied that we would have to phase the project. The only way to phase it is to first do the east and west sides and then come back later to make the connection with the bridge.

Al Densmore, regarding the Hwy 62 project, is there still a possibility that this project might be done on a toll basis? Art answered by saying we submitted this project two or three years ago for review by the office of OPP. They were looking for candidate projects around the state. They evaluated it and said this would not be a good project. They looked at usage, what are the alternatives if people don't take the toll road, etc.

Mike Quilty added, in this area you would need to toll the entire corridor because there are a large number of alternative routes. Toll roads are built where you either have very limited access to other workable routes or they have to toll the corridor.

Paul Mather said that if we went forward with \$20M for right-of-way for Highway 62 you would not preclude tolling in the future. That option would still be available.

Overview of Jackson County, Central Point and Medford Projects

5. Table Rock Road: I-5 to Biddle Road (Jackson County)

John Vial: Jackson County proposes to widen Table Rock Road from Biddle Road to the I-5 overcrossing. Airport Road to Biddle Road would be widened to a 5-lane facility with four travel lanes, two-way left-turn lane, bike lanes, curb, gutter and sidewalks. This section of roadway has an AVC currently of about 11,000 trips per day. Lots in the area are currently under a lot of development pressures and likely we will be seeing developments in the near future. This road is already a congested facility. From Airport Road to the I-5 over crossing there will be a 3-lane facility with two-through travel lanes, a two-way left turn lane, bike lanes, curb, gutter and sidewalks. Project can be done by 2010.

Total Project:	\$3.76M
Total Earmark Request:	\$3.37M

6. Scenic Avenue: Grant Road to Highway 99 (proposed by City of Central Point)
 Tom Humphrey said Central Point supports the Table Rock Road project because it is one of the eleven statewide shovel ready sites.

We have an intersection (Highway 99 and Scenic Avenue) that has the potential, with improvements, to benefit multiple jurisdictions. Central Point has taken jurisdiction up to, but not including the intersection. It is a state highway with a county road bisecting it and is parallel to a rail road track managed by Central Oregon and Pacific Railroad. The intersection would be used by the school district if it was improved. Now they are using Seven Oaks because of the requirement to open doors on school buses for safety reasons. The intersection has been looked at from a safety standpoint for the last several years. This intersection has been identified in Central Point's TSP for signalization. Currently there is a flashing yellow light southbound and northbound on Hwy 99 with stop signs east and west on Scenic Avenue. It is on the System Priority Index for the state. With development in the immediate vicinity the traffic has increased. Erickson Air Crane is located to the north with about 400 employees. There is a lot of activity north and south on Highway 99 which makes it difficult for people crossing at Scenic Avenue to move either east or west. A couple of things have happened with this intersection. One is the development of Twin Creeks' Transit Oriented Development. One of the stipulations of the council is that a new railroad crossing be installed in the vicinity of Crater High School and a further stipulation by ODOT rail that on order to add this crossing we need to commit to improving the Scenic Avenue crossing and ultimately close another, preferably the Seven Oaks crossing which has a severe oblique angle. The City been working with the county over the last couple of years through an intergovernmental agreement to improve this intersection in favor of the county and then closing another one once it was improved. Through the Regional Problem Solving process the City has identified land to the north of Scenic Avenue, which is our current urban growth boundary, for inclusion in the later adjustment of that boundary. Initially we were planning on coming into the intersection at a right angle from the north and cross both the highway and the railroad but that would have required this UGB adjustment. We don't know yet how long the RPS process will take to conclude and when we would be able to adjust the UGB. Therefore we have come up with an alternative solution to the bad geometry. The City owns property on southeast corner of this intersection and the developer for Twin Creeks owns the property on the west side. We believe that right-of-way acquisition and ultimate development could occur in the city limits in the future which would allow us to move forward more quickly. We would also have less of a problem acquiring right-of-way because of the cooperation we have received from the developer in the past. Essentially the improvement is a realignment of the intersection to improve safety. It would have a full signalized intersection. The highway would be raised, which we are going to be doing at Twin Creeks, so that the grade is even the road would come in at right angles which would improve the railroad crossing as well as the intersection.

Total Project (approximately)	\$3.8M
City Contribution (approximately)	\$300K to \$500K
Total Earmark Request	\$3.352M

7. Garfield Project – Peach to Columbus (Medford)

Alex Georgevitch: With the relocation of the South Medford Interchange and the construction of the new South Medford High School there will be a large shift in traffic to Garfield Street. Garfield Street is currently being improved to Kings Street. Between King Street and Peach Street there is currently a project in the design stage. Peach Street to Columbus (earmark request) is a local access road. It is not county or city maintained local property owners are responsible for the maintenance. This section of roadway will soon be subject to a significant increase in traffic. The road is in poor condition. This section is a two lane road that will most likely see a significant rerouting of traffic. The project is for the construction of a roadway built to City standards which will provide a stable surface for long-term traffic as well as provide bicycle and pedestrian facilities to serve the school and surrounding neighborhood.

Total estimated Project cost:	\$3M
Earmark Request:	\$2.5M

Discussion/Questions/Comments

Alex was asked how wide the roadway will be. Alex responded by saying from curb to curb is 48 feet. It will be a 3-lane facility, two travel lanes in each directions and a center turn lane. It is a minor arterial in the city which means that it will be accessed managed with minimal access. It will provide bicycle and sidewalk facilities.

James Lowe asked if the school district’s traffic study showed this area as a problem. Alex said the school construction is a conditional use. They did a traffic study to look at the impacts to their surrounding neighborhood. They are doing some realignment, signaling the intersections at Garfield, Columbus and Cunningham, widening a portion of the project to the east of Columbus and have done other work improving Columbus, Cunningham, Diamond and Warren Way. Columbus is now considered Medford’s west side bypass and the goal is that it will run from South Stage up to Sage Road and then connect to Hwy 99. Foothill is our eastside bypass.

Mike Quilty asked if this project is included in the MPO’s RTP. Alex said yes it is by reference to Medford’s TSP. All projects in the TSP should be in the book. Mike Quilty asked if it is listed as a specific project. It is not financially constrained.

John Vial asked if we can divide up the STIP Modernization funds. Benefit to the state transportation system is key to dividing up Modernization funds. Under the earmark process local governments can seek whatever they want to. Are we expecting that this process will show benefits to state highway systems or do we care? Art Anderson agreed that that is a good point. The Earmark Guidance Document states: “Local agency projects may be considered for inclusion on the Commission Earmark Request List if they meet the Oregon Highway Plan Policy. The Commission Earmark Request List will not include local projects that do not demonstrably benefit the state highway system. However, ACTs may consider local projects and include those that are deemed regional priorities on their Earmark Recommendation List to demonstrate support for these projects to the congressional delegation”. If we have five projects to pick and we felt there was some regional significance for these projects but they were pretty much local projects with minimal benefit to the state system, we could send those forward. But, if the OTC views these projects as local projects and local projects only they would not include them on their overall list. Including them would show support for projects in the area but it

doesn't mean that the OTC is going to put them on their list. John's question raises a good point. The projects that the OTC is going to look upon favorably should have some regional significance and be a benefit to the state system.

Overview of RVTD Projects:

8. South Gateway Transit Service

Paige Townsend: RVTD applied for an earmark six months ago for a transfer station and has not heard back. The Federal Transportation Administration receives it funding also through the Transportation Reauthorization Bill. This is where RVTD receives their operating funds. It is also where we receive our capital improvements such as buying more buses or funds to do building improvements.

An overhead map showed a snapshot of the South Gateway route. It is 12 miles long. The Rogue Valley Medical Center would be served. Transfer at a new development in the Center Drive area would allow us to have a bus pull-out lane for two buses to stage transfer of passengers. Passengers would transfer here to reach the Harry & David campus. These two employers are our two major trip generators in the South Gateway area. After the bus goes past the Harry & David campus it would then head back to our Front Street Station. This is a route we had in service in partial with the east Medford area. It was a successful route but unfortunately we had to discontinue it due to funding limitations. We are looking at partnering with those two major employers to help make this possible. The amount of the funding request is for three years.

Total Project	\$1.5M with 10% from fare box return from passengers
Total Earmark Request	\$1.3M over three years

9. RVTD Expanded Service Hours

- Paige Townsend: This project is to extend our service hours. At this time we have limited service hours, from 5 a.m. to 6 p.m. This is a severe limitation for people who work early or late or have to conduct errands after work. They pretty much have to go home and get in their car to do that. As an example, a person who lives in Talent but works in White City would arrive in White City at 7:35 a.m. by catching the earliest bus possible with a 1:15 minute commute. To return this person would need to catch a bus no later than 5:30 p.m. While this schedule might work for the typical 8-5 working day only a small portion of employment throughout the Rogue Valley thrives with this type of schedule. There are several commuting trips that we could definitely assist in alleviating from the transportation network by expanding our service hours. Paige reviewed a table describing the frequencies that would be on each route during this time period. We are looking at expanding our service hours to an eighteen hour service day or basically from four o'clock in the morning until ten o'clock at night, Monday through Friday. We have a ten-year long range plan that we recently adopted and that is being followed up by a draft strategic business and operations plan. These two projects, the South Gateway Area route and the Expanded Service Hours are the top two projects in our long range plan that the communities decided were the regional priorities.

Total Project	\$4.3M
Total Earmark Request	\$3.87M phased over three years

Discussion/Questions/Comments on RVTB projects

Art Anderson wanted to know if RVTB had to go through a similar process with FHWA as do transportation projects. Paige, yes if it is a capital project. If we build a transfer station for example we would have to conduct the same environmental work. For operation projects there is less red tape although it does have to go through Federal Highways, Federal Transportation Administration and our local Transit District. We are not directly funded through the federal government. Because these are operating grants and not facility grants the environmental work is not necessary.

Mike Quilty congratulated RVTB for moving forward on expanded service hours and returning a route to service. He is concerned as to where funding for these projects will come from to continue their operation after the three years are up. What are RVTB's plans?

Paige replied that we have a few different strategies. One is working through the federal government. There is a bill that just passed the House that is going to the Senate that will appropriate about \$1.8B throughout the nation for operating and capital assistance. That is also a short-term solution. This bill is considered a transportation stimulus package. There is also the state's legislative session coming up in 2009. There is solution for allowing transportation districts to receive an additional long-term stable funding package. Additionally, locally we are going to look for more community financial support. We are not sure what form that is going to be but that is the basic way that urban areas have grown in the nation. As an urban area grows the federal and state government looks more to the local populous to be able to support their transportation system. I think that is what the Rogue Valley is going to be seeing in the very near future.

Mike Montero added that over the past years the transit district has had some problems. From the business community's perspective the transit district has worked long and hard over the last three years. They have developed long-range and a business plans that are being reviewed by the Chamber. At the end of the day the real tension with funding private local operation's dollars for the transit district has always been they would like to have the money and they will show us what they can do. We have always said show us what you are doing with your money. There was an obvious disconnect. Referring to Mike's point, assuming that they perform based on what is in their business plan and strategic plan, he thinks that the transit district believes that that will be that demonstration of performance. Support of this operating fund application may be the bridge that allows them to put up or shut up. Based on what I have seen I think they are doing a good job.

Mike Quilty fully supports what they are asking to do.

Earmark Process next steps:

Art Anderson said that at the next RVACT meeting we will have a matrix filled out on each of these projects. We will have vetted the projects through the MPO (projects within the MPO boundary) and will have Mike Baker's input on using the STIP eligibility criteria. The matrix should also have a blank column in case there is a discussion about which projects we need to put in our top five regarding local versus regional impact. We will roll everything together so that we can determine which five projects, exclusive of the RVTB's projects, to move forward as a region.

Al Densmore put forth this observation; let's assume that some of these earmarks requests come to pass. If these projects are also on the wish list, either the \$50M or the \$75M through the legislature, funds for these projects could also become available through the state. Would we as an ACT have the opportunity to reprioritize our wish list again? Art Anderson replied, if we get an earmark that is the highest priority. We have got to spend the earmark down or else we will jeopardize future earmarks. He thinks it is open game for the ACT to discuss what they want to do in terms of additional funding or prioritizing.

Paul Mather had a couple thoughts about the process. The state legislative process will play out in 2009 and the federal process which will probably play out later than that. If you look at the history in congress, while the bill is going to expire, typically they don't get around to dealing with that bill for another year and sometimes even longer than that. We are probably going to know the outcome of the 2009 session long before earmarks are selected by congress. He is not sure it is going to have to come back here because he thinks they will be selected through the state legislative process. Congressmen in Oregon are going to pick their projects on whether projects are unfunded so that they can get the biggest bang for their bucks.

The question was asked if the two funding sources collide can we ask the OTC to reprioritize and give them direction on where to fund their dollars. The response: Yes. I think our commission would be aware of that and would ask for a reprioritization. I think they are going to be looking for their cue also from the congressional delegation on what their needs are and whether they need reprioritization or to go along with the list that has already been endorsed by the area commissions.

The question was asked, to what extent should we be committing ourselves to have lobbied these projects? Paul Mather thinks it is in all of our best interests to lobby all of the projects that this group is going to endorse. The more dollars that we can bring to the table to meet our priorities, whether we get future

Paul Mather spoke to the dynamics in Washington D.C. The existing bill that is going to be reauthorized was passed in 2004. It is a five year bill and will run out in 2009. He thinks that when they built the existing bill they increased spending to a point more than what the revenue that was coming in and they hoped that they would get through the life of the bill before the Trust Fund went to zero. That hasn't happened. The trust fund is going to go to zero in a couple months. The last year the bill is going to basically be unfunded. Congress is going to have to deal with that sometime during the next year, how to fund the last year of the existing bill. Where that leaves us going into the next bill is if you are going to keep funding levels at the same level that we are at today you are going to have to increase the federal gas tax by about four-cents to keep even. If not you are going to see a dramatic decrease in the amount of federal funds available. How that plays out in the formula funds or earmarks will be interesting to see how congress wrestles with that question. It is not going to be an easy question for them to answer and it is going to take them longer to deal with. The other thing you should think about is the political dynamics of the various congressmen and what districts these projects are in. There is a pretty dramatic difference between a project that is in Representative DeFazio's district and one that is in Representative Walden's district. DeFazio will get considerably more money in earmark projects than Walden for a variety of reasons; chairmanship, tenure and a number of other criteria they use to select projects. Regarding the projects that you are looking at I would strongly recommend that you look at those that are in DeFazio's district because you will have a much better chance. The other thing working against a project in Walden's district is Walden has

a very big district. He covers virtually all of I-84, Bend, Redmond, Central Oregon, Klamath Falls; there are a lot of needs that he is going to have to satisfy within his district. Past earmarks have indicated that it is hard for him to get a lot of large projects within his district. The I-5 Climbing Lane project and Highway 199 are in DeFazio's district. All of the other projects are in Walden's district.

Mike Montero, one criterion that we typically to look at isn't listed, leverage. Is that going to have a material effect on a project being able to compete? Paul doesn't think this is a specific federal criterion. Delegation members will treat that differently. From the ACT's perspective, typically what will happen is that you will request \$23M for a project and you will get \$3M. Now what are you going to do? To some extent it could fall back in the laps of this group. Now we have a commitment, we have endorsed and signed up for this large project, what are we going to do? Are you going to steal the project back? Some projects you can do that and others you can't or you have to come up with additional dollars. We are committing ourselves potentially to future STIP years. We are going to have to put the funds towards the earmark to just meet our obligation. Jurisdictions are the same way. You come forward with a project and you only get partial funding, what are you going to do to make up the difference?

Mike Montero, there is a clear move by the transportation community to be cognizant of environmental issues. We have them in this region. Would the applications be stronger if they are accompanied with NEPA documentation? Paul said this is a political process. It is more of what the individual congressman feels is more advantageous for them for political reasons.

Mike Quilty was in Seattle a couple weeks ago. Microsoft held a seminar on tolling. They had a lot of west coast political folks there, congressmen and senators and people representing AAA and trucking industry. The folks from AAA and the trucking industry have come out said that they recognize that the current gas tax is broken. The representatives from Oregon and Idaho's AAA said that when it came to strictly tolling, tolling should be for new capacity. They are willing to sit down and talk about "congestion/value pricing" for transportation funding. This would do away with charging a number of cents per gallon and instead charge you for where you drive and when on a per mile charge based on the area you drive in and on what type of infrastructure you are one. So if you are going into a major metropolitan area during rush hour on a freeway you would pay the highest fee. The device to track this is the size of your cell phone and is placed in your car. You would be billed through your bank or cell phone company. When AAA says they are willing to start talking about changing the gas tax it is something that we need to start paying attention to.

Mike Montero asked if the commission going to be looking for formal letters of support for the transit applications. Art Anderson thinks we will submit a letter of endorsement for the projects that we are submitting and add the transit support at the same time.

5. Local Construction Projects

Gary Leaming

- South Medford Interchange: Showed an overhead where they were pouring concrete on the southbound bridge over Bear Creek. Construction continues. Right now they are focusing on Center Drive, getting that realigned. Probably look for a change in traffic flow this fall. Contractor is still on board to finish up by fall of 2009.

- Ashland Bridge replacements took off last month. The contractor Hamilton has the cross-over at Eagle Mill Road in place. They are working on Bear Creek and they are also working south of Ashland on **Mill** Creek. This is about a two year project.
- I-5 paving project south of Ashland between Exit 14 and 11 southbound: This stretch of roadway gets a lot of use with trucks and vehicles chaining up to go over the Siskiyou. When chains are put on, the chains have a tendency to grab the open grade mix and pop the gravel out. We have a project that will be let later this month to grind and inlay, from fog line to fog line, from Exit 14 southbound to Exit 11. Art added this has happened elsewhere around the state where we use F-Mix. If we don't take care of the problem now the cost, if it gets any worse, goes up exponentially. Gary said we are going to pave this area with a dense grade mix. Statewide we are looking at paving those ascending mountain passes with the dense grade mix.
- Outside of Region 3: Region 4 – Lake of the Woods Highway: Gary showed overhead picture of the excavation to put in a center turn lane for westbound traffic at Fish Lake. They are also doing one at the Great Meadow. Drainage and inlay work is being done on the ascent from the west side.
- Josephine County: 1) Merlin Interchange/Louse Creek bridge and Exit 55 bridge replacements is underway and the crossover at Exit 61 is nearing completion, 2) Laurel on Hwy 199 (Bridge replacement, highway widening) is nearly complete and 3) RCC to Midway safety project started yesterday on the eastbound traffic. Copeland will be working on that through the summer.

Richard Smith asked about Exit 61. Is this off ramp going to be fixed? Gary said this is a bridge replacement that pulls the Merlin-Galice Road embankment back for better site distance. The off ramp will stay the same for now.

6. Oregon Transportation Commission/Legislative Updates

Paul Mather

The Transportation Commission has been dealing with the approval process for Connect Oregon II for the last couple of months. The governor was down week before last to sign approval of all Connect Oregon II projects. While the governor was down here and in a number of other speaking engagements has talked about transportation being a priority for him during the next session. We have three committees working on various aspects of it.

In general we all know that gas prices are going up. We are seeing vehicles miles travelled going down slightly. Since the start of documentation in the 1950s the number of vehicle miles travelled went up like clockwork. since back to 1950's or 60's when we first started documenting it went up like clockwork two or three percent every single except for the oil embargo years in the 70's. We had a couple of flat years a couple years ago. Last year it went down one percent and this year I am guessing that it will be down three percent if not more. We are doing a revenue projection for gas tax this July so we will have a better feel for it, the impact that will have on our projections for our revenue. Theoretically that could have an impact on our budgets both in maintenance budget as well as our projects budget that we have been talking about today.

Alan DeBoer, as we look at revenue the price of gasoline going up is going to decrease the sales and it is going to put the state and ODOT into a spiral. It is a shame that they didn't do a percentage sales tax instead of a flat fee which hasn't been increased for years. Personally, the

number one criteria that he would use, and he would encourage ODOT to use, is vehicles miles travelled. Safety and congestion would be the other two criteria. He sees a decrease in vehicles coming we may see a ten percent decrease of all of our projections that are based upon increasing capacity. We should be looking at this rapidly because if you look at vehicles miles travelled, safety and congestion will probably be our determining factors as we see a decline in transportation. Certainly the transit district is a big plus and somehow we have to provide alternatives to people. He is disappointed with General Motors, Ford and Chrysler for not envisioning \$5 per gallon gasoline. It was like who could not have seen this coming. He thinks that some of our criteria need to change. He thinks ODOT and cities are going to see a dramatic decrease in funding. We talked about rail. Somebody needs to take a serious look to see if the rail line in southern Oregon is it a viable entity; do we keep putting an emphasis on crossings and decreasing crossings when it may not be a viable entity at all.

Mike Quilty touted Microsoft's horn. On September 3rd and 4th they are sponsoring their fourth transportation conference. They bring in people from all over the world to talk about transportation issues that are coming forward. The one that they are doing in two months is called "Transportation Beyond Oil". They are going to have people talking about vehicles that are on the verge of being brought out by many of the major companies, plug-in hybrids that will get forty to fifty miles range at lower speeds before you need to fire up the gasoline engine. If you are commuting around town on roads under 35 mph that engine never fires up. There is a report out that says GM is trying to get the production line for their 50-volt vehicle which is a hybrid electric. It has a small gasoline engine that will run the electric motors and is supposed to be up and running by September if they can push that hard. There are a lot of people that are making electric vehicles. They are claiming they will have electric vehicles that will be able to drive at 40 to 50 mph that will have 60 mile range that they will have out within 18 to 24 months. There is a lot of technology. The cost of putting them out when we had cheap fuel didn't make them a viable alternative. This change is coming about soon.

7. Agenda Build/Next Meeting

Art Anderson

Next meeting, September 9, 2008, Grants Pass City Council Chambers

1. Review Earmark Matrix
2. Select and vote on Earmark Priority List to be forwarded to the OTC