

Meeting Minutes

Central Oregon Area Commission on Transportation

COACT

September 13, 2007

Members:

Lynn Lundquist (Crook County), Dennis Luke (Deschutes County), Lonny Macy (WS Tribes), Gary Farnsworth (ODOT), Joe Mansfield (City of Redmond), Dan Lovelady (City of Prineville), Mike Morgan (City of Madras), Alan Unger (City of Redmond), Bob Bryant (ODOT), Brad Boyd (City of Sisters), Eileen Stein (City of Sisters), Peggy Fisher (USFS), and Bill Friedman (City of Bend).

Guests:

Chris Doty (City of Redmond), Tom Blust (Deschutes County), Jim Bryant (ODOT), Dana Cork (BLM), Ricky Sites (City of Prineville), Susanne Orton (High Desert Museum), Penny Keller (Crook County), Bill Zelenka (Crook County), Nick Arnis (City of Bend), Trish Pinkerton (Redmond Spokesman), Nunzie Gould (Deschutes County resident), Erik Kancler (Central Oregon Landwatch), Arnie Tronson (High Desert Museum), Wayne Schnur (US 97 North Corridor Citizen Advisory Committee), Jeanne Newton (Mt. View Neighborhood Association, US 97 North Corridor Citizen Advisory Committee), Carolyn Eagan (Ferguson and Associates, Inc), Scott Smith (City of Prineville), Linda Maggard (City of La Pine), and Peter Russell (Deschutes County).

Staff:

Andrew Spreadborough (Central Oregon Intergovernmental Council).

Call to Order and Introductions

Chair Dennis Luke called the meeting to order and introductions were made. Chair Luke introduced Linda Maggard, La Pine City Councilor, and welcomed her to COACT.

General Public Comments

Chair Luke asked for public comments. No comments offered.

Meeting Minutes

The July 12, 2007 meeting minutes were approved by consensus.

Destination Resort Development Impacts to the Transportation System

Mr. Gary Farnsworth introduced the topic by stating that it was brought to COACT by Mayor Alan Unger at a previous meeting. Mayor Unger noted that the City of Sisters also requested this discussion topic. Mr. Farnsworth said that he had prompted most of the COACT members to be prepared to discuss the subject from their perspective. Members will discuss the effects of destination resorts in the region, both benefits and the impacts. He said we are looking to determine not just if this is a regional issue, but what is the magnitude of the issue and where do we need to go with the topic. The questions to consider – how can we get to a better spot on this issue, are we willing to work together on this, and what is it going to take? He noted that there is some contention among the jurisdictions. He said that we aren't going to get to a solution today, and asked that participants refrain from identifying solutions – he wants to focus on the effects on the jurisdictions, and to hear each other out. At the end of the discussion he will be asking where we go from here. Mr. Bob Bryant asked if this topic would

be included on future agenda items. Mr. Farnsworth said that an outcome of today's meeting will be to identify next steps, and he thought it would be an item we bring back on a regular basis.

Mr. Farnsworth distributed a handout on "Key Issues for ODOT" as related to destination resorts. He summarized the structure of the discussion, indicating that ODOT will open, and then ask the cities and counties to provide thoughts and perspective on the subject. Mr. Farnsworth noted the interest of the Oregon Transportation Commission (OTC) on this subject—that this was one of the topics included in their discussion during the OTC's Bend meeting in 2006. This topic will be included on the agenda for the OTC workshop in October.

He noted that ODOT has relatively limited statutory authority where there is direct access to a state highway. Division 51 is ODOT's access management rule, which can require permit conditions and related mitigation, focused on the access point to the state highway. On new developments near state highways, ODOT can look at the impact on the state highway system and can make requirements for improvements on intersections. He said that OAR 660 comes into play during the zoning/rezoning process, and provides opportunity for input by ODOT. He noted ODOT's previous work with Deschutes County in developing ordinance language for destination resorts, specific to coordination between the county and ODOT. ODOT relies on local jurisdictions to recommend conditions of approval on developments when there is no direct access, or to negotiate mitigation agreements. Chair Luke said that the Tetherow development in Bend will be accessing city and county roads to connect to the Parkway, and asked if that is an example of what Mr. Farnsworth was talking about. Mr. Farnsworth replied affirmatively, but noted that it depends on if the development is located within the urban growth boundary.

Mr. Farnsworth said that when ODOT is looking at a development, typically they require a traffic impact analysis to determine what mitigation is needed to accommodate the development. The methodology used is usually around "fair share" – in terms of funding contributions or actual improvements. For example, if the development is generating 50% of the traffic at a given intersection, then they would generally be responsible for 50% of the total mitigation. Commissioner Lundquist asked what determines how far afield ODOT goes until determining something no longer impacts the highway system? Mr. Farnsworth answered that it depends on the size and magnitude of the development. As an example he noted a development in Crook County that had measurable impacts in Portland due to the connection to the international airport. Mr. Bob Bryant said that ODOT utilizes "AM peak" for the analysis, typically. The threshold used is fifty vehicles – any intersection impacted in excess of fifty vehicles during that peak hour would create a situation where they would need to mitigate their impact. Mr. Farnsworth clarified that the AM peak hour is 7:00 to 8:00 AM.

Mr. Farnsworth referred to the table on page #2 of the handout, and the map on page #3 (prepared by Mr. Chris Doty of City of Redmond). The map shows existing destination resorts, proposed, resorts, and potential developments based on zoning. Referring to the page #2 table, Chair Luke noted that Crooked River Ranch is incorrectly listed as Crook County. Mr. Bob Bryant said the table would be corrected. Chair Luke said that Black Butte Ranch and Sunriver Resort are not destination resorts. Mr. Farnsworth concurred, noting their development prior to the land use requirements.

Mr. Farnsworth said that the table shows average daily traffic (ADT) counts for these resorts, both existing and projected. The ADT is calculated based on a total number of trips on the system throughout a typical day of the year. About a third of those trips are in place already.

Chair Luke said that the table is a bit misleading because Sunriver contributed to the interchange project, voluntarily. Mr. Farnsworth said that the big issue is the lack of public funds for the fair share of the improvement. When traffic growth is projected in Central Oregon, including destination resorts, the funding gap to get the state highways to standards for traffic congestion is approximately \$750 million over the next 20 years. That figure is primarily for US 97 and OR 126. The important point is the size of the funding gap, and that we are not getting anywhere close to that number. Commissioner Lundquist asked what the amount would be statewide for the next 20 years. Mr. Farnsworth answered that the figure is unknown, but he estimated that it is in the billions. Commissioner Lundquist asked if we know the Central Oregon percentage of that amount. Mr. Farnsworth answered that we do not, though allocations in Central Oregon amount to 10% of the state total, so that would be reflective of the impact.

Mr. Farnsworth continued by saying that in some cases as long as the ODOT mobility standards are not exceeded, destination resort developers can use up highway capacity without contributing toward future improvements. But once the standards are exceeded there is no formal means to revisit the approved developments for fair share contributions, though he noted Chair Luke's example where we had Sunriver contribute funding to an improvement on Highway 97. A new development must confront the problem of exceeding the standards, and a public share (usually not available) is relied upon to bridge the gap. In some cases ODOT will require/recommend (again, depends on the nature of the access in the system) the improvements to be in place by a certain date or given phase of development, otherwise the development will not be allowed/supported. If we are talking about direct access to the highway, ODOT has more power in terms of the development and access to the highway.

Chair Luke said that while this is specific to destination resorts, the same discussions took place with the City of Bend over Juniper Ridge and with Redmond over their industrial park and new bridge. Mr. Farnsworth acknowledged the similarity. Mr. Bob Bryant said that ODOT has been very successful in getting private sector contributions to improvements that mitigate their impact. Many cities have SDCs that enable them to receive mitigation for the local system. The rules are somewhat different in rural areas – most jurisdictions have ordinances that connect back to the Transportation Planning Rule that have the developer mitigate impacts. That statute does not exist for destination resorts. There is no statute or administrative rule that requires the jurisdiction or developer of a destination resort to mitigate. Mr. Farnsworth said if ODOT is in the mode of deferring to the local jurisdiction, then their only avenue to oppose a development is through the appeal process.

Mr. Farnsworth said that most destination resort development is taking place in Central Oregon, though the Running Y Ranch is on the south end of Oregon, and there is an older one on the coast. But it is becoming more of a statewide issue, which is why the OTC has taken an interest.

Commissioner Lundquist asked if the handout's listing of ADTs was for complete build out. Mr. Farnsworth answered that his assumption was yes. Mr. Bob Bryant said he believed that the figures were taken from the traffic impact analyses, and showed impact of the full development.

Ms. Eileen Stein asked clarification – if a highway's capacity has not been exceeded as per ODOT standards, then a new destination resort can use up the capacity? New urban development could as well, but there are mitigations that occur in urban areas that end up helping the capacity of the highway system. But these mitigations do not exist for destination resorts. So theoretically, highway capacity could be used up by destination resorts? Mr. Jim Bryant said that every local jurisdiction has approval criteria for developments, and as long as a development of any sort meets the standards for impacts,

then they are not required to help with that improvement. Mr. Bob Bryant said that in some cases developments have not been required to help, but through agreement have contributed. Ms. Stein asked if this is a situation where urban developments are competing for highway capacity with destination resorts? Mr. Farnsworth said that when traffic analysis is done, they take into consideration the full context – the background growth and whatever is known about projected growth.

Chair Luke said that Sisters is an excellent example since their main street is a state highway – if they are going to have a development 4-5 blocks off the highway, are they required to go through ODOT or do they just deal with the city? Does ODOT look at the impact of that development? Mr. Jim Bryant said they do, and that it shows why destination resorts are so problematic. First, they are usually very large, and second they are in a rural area where the transportation system was not intended to have that level of densification, and they develop over time. Instead of looking at a Wal-Mart where the full impact can be determined immediately, with destination resorts they are projecting out over 20 years and trying to determine the level of growth and background traffic. Any large sub-division that is phased in over time is difficult.

Mr. Bob Bryant provided an overview of the OTC's discussions regarding destination resorts. He said that the OTC had an agenda item a month ago regarding the agreement on a destination resort in Crook County. There was interest at the OTC – they have questions about rules and ability to require and encourage local jurisdictions and developers to work with ODOT to mitigate impacts on the state highways. A month ago the OTC chose not to approve agreement on Remington Ranch until they learned more and had answers to questions that were raised. Over the course of this discussion the OTC became aware that this was not a Remington Ranch issue; it is a bigger issue – how do we collectively address the impacts of rural developments on the state system not designed for development of this sort? The OTC approved Remington Ranch, and conditioned that approval on the premise that we would have a broader discussion on the issue at a future workshop in October. Their interest is in broad policy-level questions raised through issues specific to Remington Ranch.

Chair Luke asked how ODOT cuts a deal with a developer. Mr. Bob Bryant said agreements only are possible if the local jurisdiction has development conditions that require the developer to work with ODOT to reach agreement on the mitigation of any impacts on the state system. With that condition, ODOT would require the developer to do an impact analysis based on the size of development and the traffic generated, to develop a proposal to mitigate impacts, and to either implement that mitigation or participate through a proportional share of the mitigation.

In the case of Remington Ranch, it was determined that a grade separation was needed for the intersection of Powell Butte Highway and Highway 126. The resort impact was not significant enough to require them to build a bridge or grade separation outright – the scope of the construction project exceeded the resort's proportional share of the impacts. ODOT looked at the traffic impact analysis to determine how much traffic they will bring to the intersection, and then to determine the ratio of that traffic versus other traffic. They then asked the resort to pay the proportional share, which meets the condition for approval.

Mr. Farnsworth asked for the cities to provide their perspectives on the issues. Mayor Alan Unger said that Redmond supports destination resorts, and that they understand the need for them. Destination resorts are a way for counties to add property tax revenues and for cities to increase tourism. There are benefits and challenges – they bring new people to the cities who can volunteer and support civic activities. Eagle Crest supports events and Chamber of Commerce, provides the city's fireworks

display. They provide high-end housing to the region. However, resorts can take high-end housing out of the city, which affects property taxes. They have impacts on water – although they do better with uses of water than agricultural uses. They compete with cities for water, which could lead to higher water prices. The Highland-Glacier couplet was a result of growth. The city is facing capacity issues that are resulting from destination resorts, and they do not know how many more are coming. They are hoping to determine a way to mitigate impacts of destination resorts rather than stopping their development. He said that Redmond is probably impacted more than any other city in the region.

Mr. Doty referred to a memo that was handed out that summarizes the issues identified by the City of Redmond. He said destination resorts generate approximately one third the traffic of a typical residential subdivision, though they do generate a significant amount of traffic due to their size. A 1,200 unit destination resort generates the same amount of traffic as a Wal Mart. They distribute these trips generally to urban areas, since they rely on urban areas for services. These trips are longer than the typical urban trip due to the distance from the urban area.

Mr. Doty referred to the zone overlay map that illustrates the potential for additional destination resorts, which is a planning concern for the city. When the city expands its urban growth boundary, they are required to do a transportation system plan that will look at how that property will impact the street network. As a result, they can determine if the network can handle the amount of traffic that is proposed to be generated. In the case of destination resorts, the traffic analysis is not completed at the time of zoning – its too late to have that discussion because the zoning is complete.

Mr. Doty said that Redmond is updating their TSP and is modeling traffic through 2030. For the first time they are including the impacts of the various destination resorts. The modeling data shows that the Highway 97 and 126 legs into town are swelling. 25,000 daily trips are generated from the destination resorts; 30%-50% of those trips are coming into Redmond and having a significant impact. Typical rates of growth on state highway segments over a 20 year period are around 1% to 2% annually. However, the results of Redmond's traffic model indicate the volume of traffic on Highway 126 will increase between 3% and 5% annually over the next 20-25 years. This will result in a tripling of the volume over that time period.

Mr. Doty said that each destination resort completes its own traffic impact analysis, and negotiates its study area based on number of trips generated. In Redmond's experience, destination resorts are willing to look at the first intersection that they are impacting, and in some cases two intersections. However, their impacts exceed those first couple intersections, and they do not contribute to additional city problems. He also said that the Department of Land Conservation and Development has amended state administrative rule requiring that all projects necessitated by zone change applications must not only be planned, but funded as well. What this means for the City is that as the state highways in Redmond become more congested, development projects in the city will force the city and developers to fund improvements if the highway segment is shown to be failing during that 20-year period. Mr. Doty expressed hope that a funding mechanism can be developed, and that a regional analysis and regional impact fee can make it possible to address the issue.

Councilor Bill Friedman said that like a lot of other city officials, philosophically he has no use for destination resorts. The cities are annoyed from time to time because it appears that the rules for creating destination resorts are much looser than expanding an urban growth boundary. He said destination resorts are to some respects a red herring – it is their immediate visibility we are reacting to, but they are not a source of most of the traffic on the state highways impacting the cities. Most of

the new traffic is generated by the additional people we have living in Central Oregon, with trips to and from communities in the region. But there is zero mitigation for these sorts of trips and their impacts. He believes that when the OTC puts blinders on and looks at things in terms of their impact on the state highways, they are missing the opportunity to think ecumenically – what is the impact on county roads, the city, and how do we solve the problem? Until they do that, they will not have much sympathy from the city. The OTC's position is generally if cities generate traffic and put it on the state highway it is the city's problem. The reverse does not seem to be true – if the state highway system generates more traffic and puts it on the city roads – it is the city's problem. We ought to be looking at what is the increase in traffic on the state highway system over time, what generates it, and what should we do about it, instead of focusing on one issue.

Councilor Linda Maggart had no comments regarding the issue.

Mr. Dan Lovelady introduced Prineville's new community development director, Ms. Ricky Sites. He went on to say that since approved or proposed destination resorts are located west of Prineville, the impacts on Prineville are minimal. He deferred to Scott Smith and Ricky Sites, and they indicated that they aren't noticing any impacts.

Mayor Brad Boyd said that the biggest concerns in Sisters related to destination resorts are water and traffic. He said it is a matter of scale – comparing the size of Sisters to surrounding destination resorts. They have two resorts proposed nearby in Jefferson County. They are concerned with the impacts of traffic on the highway through Sisters. The proposed resorts will have four times the population of the city of Sisters. He acknowledged that the increase in traffic from Bend makes a difference, but resort development has a large impact on Sisters. It is clear that there is not a good mechanism in place to deal with the impacts on the city of a resort in another county.

Mr. Mike Morgan said that destination resorts and now rural measure 37 subdivisions have measurable impacts on the system. He said sometimes you need to start somewhere when dealing with this issue; ODOT needs a firm policy because he believes the OTC has the authority to step forward. Rural subdivisions are emerging because developers can avoid fees and development responsibilities. If a developer builds in the city, they are responsible for direct costs to build adjacent roads and access roads to city standards, SDCs, and other non-direct fees. This has led to gross inequity being structured in the system, between rural subdivisions (including destination resorts) and what others in the community need to deal with. We are much better at calculating the costs in the city. The application of the transportation planning rule is grossly unfair. If ODOT is not going to apply the same level of transportation planning and cost recovery on rural subdivisions and destination resorts, then it is inequitably treating the population, and that will be challenged. The ones making the most money are the ones building and living in these destination resorts. He said that an \$11,000 SDC for transportation can be calculated – 67,000 cars and \$750 million equals \$11,000 per house. This is twice what they charge in the city but is about what it costs for the transportation impact. So why isn't ODOT and the Commission charging this? 80% of the people in Oregon need to abide by that standard, yet you can flee outside of the city limits and avoid it.

Mr. Morgan said he disagreed with Mr. Doty's assertion that destination resort traffic has less impact on the city. In terms of single EDU, it's less impact. But the city is built out – they do not have golf courses in the city where they are bringing in entire production and maintenance crews, nor are they hosting PGA tournaments. They have tremendous impact if you measure in a different way. And finally, they are going to evolve. As an example, Crooked River Ranch has 5,000 home sites now, and

some of the destination resorts emerging now will evolve into communities. So, we need to have ODOT apply the same rule across the board equally, or the rules should be removed.

Commissioner Lundquist noted that there is obviously a difference of opinion on the subject, and that it is a regional problem that will need a regional approach to make it work. He agreed basically with what Councilor Friedman said. He said that what happens in Prineville has a much greater impact on what happens on the state highway system than destination resorts in Crook County. That is not to say destination resorts don't need to pay their share, but the population growth in cities makes an impact. Redmond's population grew by about 16,000 people between 1990 and 2006. We need to recognize the impacts of the cities as well. The build out of destination resorts is over 20 years, and the number he quoted regarding population growth in Redmond was not even over that long of time frame. The city's impact on the highway system should be included in this discussion as well – this should be looked at in a macro approach. He closed by contesting Mayor Unger's statement that the water use in agriculture is not as good as destination resorts.

Mr. Lonny Macy said that while Warm Springs is not facing the traffic of Bend and Redmond, he noted the overall impacts on the system. An increased number of vehicles are traveling through Warm Springs, and their biggest concern is more accidents. He said there is increased traffic on Highway 26 along Beaver Creek, and accidents have damaged fish habitat. They are concerned with the effects of growth on the state highway through Warm Springs.

Chair Luke said that Bend is a destination resort. Bend encourages people to come to town, and builds hotels to accommodate them. So does Redmond and Sisters, with the quilt show and rodeo. He also noted that Crooked River Ranch traffic must pass through Deschutes County to get to Madras. It is the same with Camp Sherman residents who must pass through Sisters and Deschutes County. We all impact the state highway system, and it is beyond a regional issue. He said our hands are tied – and a change in statute would be necessary for a developer in one county to be mandated to mitigate impacts in another county. The traffic study would need to justify the improvement. If cities are looking for help from destination resorts for impacts in their city, then they are going to need a state law change.

Councilor Joe Mansfield said he appreciates Councilor Friedman's comments, and that the issue is beyond destination resorts. But the numbers provided by Mr. Doty show that the destination resort impact is not insignificant.

Mr. Tom Blust said that while destination resorts generate a lot of traffic, they do not generate much transportation revenue for Central Oregon. Gas tax revenue to the counties is based on the number of vehicles registered in the county, and destination resorts and tourism do not typically bring in much gas tax to the counties. Similarly, the city's gas tax revenue is based on the permanent population in the city. He said that we need to identify new ways of generating revenue. He does not believe ODOT has the authority to impose an SDC, though counties do have the authority to collect an SDC in rural areas. The County hired a consultant to study this. The County is also considering an increase to the solid waste tipping fee, which does reflect some of the costs of tourism and destination resorts because everyone generates garbage. They are also looking at an increase in the transient room tax, which could generate transportation dollars based on tourism and destination resorts.

Chair Luke noted the number of visitors in attendance, and offered them a couple minutes each to make comment. Mr. Wayne Schur said that the lodging tax is not subject to those that own and live in

their houses at a destination resort – it only applies to rentals. He also said most destination resort traffic comes at peak vacation times, which impacts the system.

Ms. Carolyn Eagan of Ferguson and Associates said that trip generation rates for destination resorts can be across the board – older destination resorts may generate traffic differently. She recommended that a regional agreement for trip generation rates be considered. She also suggested using the PM peak hour for traffic impact analyses. She suggested helping planning commissioners who are making decisions on destination resorts better understand the issues and jargon used. And she voiced support for an inter-jurisdictional decision making process, which could be linked somehow to the unique destination resort zoning. Chair Luke pointed out that before the mid-90's destination resorts were "super-sided" by the state legislature, meaning there was no state law regulating them. If the legislature approved a resort, it meant counties the must approve.

Ms. Eagan said that we do have a problem with the new way Transportation Planning Rule is being revised when we have mitigations that aren't in plan. So growth is bigger than what any city or county could have predicted, and if we don't have an improvement in a plan, a developer cannot even contribute to an improvement without waiting a year or more for the planning process.

Mr. Bill Zelenka said that while it is clear to residents that traffic is increasing, it is hard to determine the actual impacts of a development. Crook County will be monitoring traffic counts related to Brasada Ranch. He noted that the legislature is looking at the ratio of permanent housing to rentals in destination resorts since their vacancy rates are so severe. These are the issues the county is trying to get a handle on. He said that this is a regional issue, and that they have in a couple cases they required MOUs beyond our jurisdiction with Deschutes County.

Ms. Nunzie Gould said that it appears that there is a schism between how the road system is managed by ODOT and by Deschutes County. The county is relying on ODOT to step up and improve their roads, in particular on Highway 20 in Tumalo, which is a failing intersection. According to ODOT standards, if one more car is added to a failing intersection, then there is a loss in the level of service. In the case of the county standards, if one more car is added to a failing intersection, there is no greater level of failing. So in the course of the development of resorts around Tumalo, local citizens are navigating a failing intersection, and may be navigating the intersection for 14 to 20 more years throughout the course of the development. So her question is, why is Highway 20 not included in the estimated \$750 million deficit? Mr. Farnsworth said that the number was put in to illustrate the magnitude, and that it doesn't diminish the interest ODOT has in solving the need. There are loads of issues on the system, without funding to resolve them. Mr. Bob Bryant said that the needs far exceed the ability to deliver improvements. Although ODOT is able to capture a private sector share of the improvement, the state doesn't have their contribution to be able to implement the improvement. The Tumalo intersection is a good example of this - Eagle Crest has already contributed to this intersection twelve miles from their development, recognizing that they will have impacts. ODOT was successful in getting them to contribute funds to some future improvement. Those funds are in a drawer, and may be in the drawer for 14 to 20 years, until ODOT has the total funding package to be able to deliver the solution. ODOT has been successful in working with developers and jurisdictions, but the proportionate share approach has only got them so far with the state not having the ability to close the funding package.

Councilor Friedman said that the real problem is that if ODOT had the funding to fix these intersections, we wouldn't be having this discussion. He advocated looking at what needs to be done

to address this enormous funding gap. We can get really caught up in who's fault it is and what the impact is, but the real question is how do we raise the money to address the issue.

Commissioner Lundquist agreed that we can argue about this issue, but the bottom line is we don't have the funding to address the needs. The solution is that we need to have more resources. We are on the verge of having that opportunity – the next legislative session (2009) is already working on transportation funding with stakeholders (cities, counties, AAA, truckers). He anticipates something major – such as an 8-10 cent gas tax increase. He recommended talking with representatives of this region regarding the need for additional revenue. Mr. Morgan clarified that he did not state that the City of Madras is looking for money or reimbursement. The city builds the infrastructure needed for the commerce of the city.

Mr. Farnsworth asked the group what the next steps should be. Chair Luke said that he'd like staff to research the ability or authority of a county to require developers make improvements in a neighboring county or city. Councilor Friedman said he'd like to know changes would need to be made to create equity, and how soon the state legislature will provide additional gas tax funding.

Chair Luke closed the discussion by thanking the City of Redmond and City of Sisters for bringing this topic forward, and Mr. Farnsworth and his staff for their research and preparation.

Overview of Construction Projects in Central Oregon

Mr. Farnsworth provided a summary of active construction projects, including the Crooked River Bridge in Prineville; canal crossing bridges north of Madras; paving near Mitchell; Redmond re-route Phase 1; and the south parkway median in Bend.

He said the Sunriver interchange project will be opening in October, and ODOT is planning a ribbon-cutting event. He said ODOT will be closing Century Drive this coming week to do traffic switch onto the new bridge. Mr. Bob Bryant noted that the organizers of the recent golf tournament in Sunriver wanted to coordinate with how to manage traffic in and out of the event because they were going to have thousands of people leaving the event at the same time. They proposed to have the sheriff close traffic on Highway 97 to allow people to leave Sunriver. ODOT determined that that would be problematic, so Mr. Farnsworth worked with the event organizers and staff to develop a plan to take traffic under the new bridges on a temporary gravel road onto the east side of the highway so that traffic could use the northbound on ramp to access the highway. Mr. Bob Bryant acknowledged Mr. Farnsworth and staff for their accommodation of the request.

Mr. Farnsworth then summarized funded projects: bridges at US 26 in Prineville; a paving project in Warm Springs on Highway 26; signal improvements on US 20 at Greenwood and Third Street in Bend; developing four-lane divided section of Highway 97 near Lava Butte; Iris Lane improvements in Jefferson County; Highway 126 paving and safety improvement at Helmholtz near Redmond; Highway 97 Crooked River to Redmond; safety improvement at Highway 26 and Gumwood in Madras; paving of Highways 97 and 41 in South Deschutes County near La Pine; paving of US 20 and Purcell in east Bend; Bend Parkway repaving; and Cherry Lane and Highway 97 intersection in Madras.

He provided an overview of planning projects: a design project in Madras; rail crossing at US 97 and Wickiup Junction in La Pine; NEPA (environmental planning and analysis) for the US 97 southern extension of the re-route; US 97 - O'Neill Junction to Crooked River refinement; funds are budgeted to

do the environmental work for the interchange at Highway 20 in Tumalo; refinement planning for Highway 97 at Murphy Road; refinement planning for south end of the parkway.

He summarized other development projects: US 20 Purcell Powell Butte; Beaver Creek at Warm Springs; US 20 - Sisters; Bend refinement plan; 126 Redmond to Prineville corridor planning and interchange planning at Powell Butte junction; and Bend US 97 north corridor project environmental work, \$15 million approved for NEPA and right-of-way acquisition.

He stressed that the projects highlighted are either in the STIP, or about to be added into the STIP. Mr. Bob Bryant said that many of the projects summarized by Mr. Farnsworth are in the draft program, not yet approved by the OTC. They will not be adopted until later this year or possibly early next year. Given the revenue situation ODOT is facing, the OTC is having discussions around scenarios that could lead to direction to ODOT to reduce the size of some of the programs, particularly in the modernization program. Many of the development projects are funded by the modernization program. He said there may be work for COACT if ODOT ends up reducing the size of the program. This could impact the projects Gary discussed – ODOT may need to push some out into future programs.

Commissioner Lundquist asked if due to the funding that will be distributed to the counties. Mr. Bob Bryant replied that it is partly due to the legislative decision to transfer \$56 million from the state to counties, but that it is also because the cost of inflation has reduced the ability to fund the projects. ODOT is over-programmed relative to the cost to deliver the projects that approved two years ago. He noted that there is no foreseeable predictable revenue, and no certainty of legislative action to increase revenue.

Mr. Farnsworth said that he reviewed a long list of development projects, and that it is important that ODOT projects planned or we will lag behind or not be ready to move forward should funding become available.

Meeting adjourned at 5:00.