



AGENDA
Rogue Valley Metropolitan Planning Organization
Policy Committee

Date: Tuesday, May 27, 2025

Time: 2:00 p.m.

Join In-Person

Location: Lewis Conference Room
RVCOG, 155 N 1st Street,
Central Point
Transit: Served by RVTD Route #40
Contact: RVCOG: 541-423-1375
Website: www.rvmppo.org

Or via Zoom

Meeting ID: 846 2782 3341
Phone #: +1 346 248 7799
Zoom Link:
<https://us06web.zoom.us/j/84627823341>

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT RVCOG, 541-664-6674. 48-HOURS ADVANCE NOTICE IS PREFERABLE AND WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS.

1. Call to Order / Introductions / Review Agenda

Chair

Consent Agenda

2. Review / Approve Minutes

Chair

Attachment: [#1 RVMPO Policy Meeting Draft Minutes 04/01/2025](#)

Action Items

3. Revised 2025-2050 RTP Financial Forecasts & Tier 1 Project List

Dan Moore

Background: The TAC was asked to review the revised financial forecasts and Tier 1 project list. The revisions are in response to Mike Baker, ODOT Region 3 Planning and Development Manager's letter dated March 31, 2025, *RE: 2025-2050 Draft Regional Transportation Plan Financial Constraint*. The TAC had moved to continue this item for further discussion in future meetings and provided no formal recommendations.

Attachment: [#2 Response to Mike Baker's RTP Financial Constraints Letter](#)
[#3 ODOT Letter: 2025-2050 Draft RTP Financial Constraint](#)

Action Requested: *Discussion, Direction, and/or Approval*



4. 2025-2050 Regional Transportation Plan Chapters 4 and 7

Yazeed Alrashdi

Background: The Policy Committee is being asked to review and provide any comments or approval on the following RTP Chapters. PLEASE NOTE: While SharePoint is being used, the formatting will be inconsistent. This will be fixed before final approval of the full document.

Chapter 4 – Planning Area Characteristics
Chapter 7 – Environmental Considerations

Link to Website: [Draft RTP Chapters](#)

Action Requested: *Comments and Approval of Chapters*

Discussion Items

5. 2025-2050 Regional Transportation Plan Chapter 5

Yazeed Alrashdi

Background: The Policy Committee is being asked to review and provide any comments on the following RTP Chapter. PLEASE NOTE: While SharePoint is being used, the formatting will be inconsistent. This will be fixed before final approval of the full document.

Chapter 5 – Regional Transportation System

Link to Website: [Draft RTP Chapters](#)

6. Public Comment

Chair

Regular Updates

7. RVMPO Update

Ryan MacLaren

8. Other Business / Local Business

Chair

Opportunity for RVMPO member jurisdictions to talk about transportation planning projects

9. Adjournment

Chair

Scheduled Meetings

RVMPO TAC	June 11, 2025	1:30 p.m.
RVMPO PAC	June 17, 2025	5:30 p.m.
RVMPO Policy Meeting	June 24, 2025	2:00 p.m.

All meetings are available in-person and online via Zoom unless otherwise noted.



SUMMARY MINUTES

Rogue Valley Metropolitan Planning Organization Policy Committee

Beginning of Attachment #1

Date: Tuesday, April 1, 2025

Voting Members	Organization	Phone Number
Mike Quilty	Central Point	621-4853
Eleanor Ponomareff, Chair	Talent	535-1566
Rick Dyer	Jackson County	774-6117
Elijah Oberlander	ODOT	774-6353
Tonia Moro, Vice Chair	RVTD	973-2063
Alternate Members	Organization	Phone Number
Scott Fleury	Ashland	
John Vial	Medford	
Steve Lambert	Jackson County	
Mike Baker	ODOT	
Paige West	RVTD	
Staff	Organization	Phone Number
Ryan MacLaren	RVCOG	423-1338
Kelsey Sharp	RVCOG	423-1375
Yazeed Alrashdi	RVCOG	423-1378
Dan Moore	RVCOG	423-1393
Interested Parties	Organization	
Thomas Guevara	ODOT	
Mike Montero	RVMPO PAC	
Christine VanAken	Citizens for a Safer Jacksonville	
Marjorie Donovan	Citizens for a Safer Jacksonville	
Jerry Marmon	ODOT	

RVMPO Policy Minutes – Tuesday, April 1, 2025

[Agenda Packet](#)

[Meeting Audio](#)

1. Call to Order at 2:00 p.m. / Introductions / Review Agenda 00:00 – 01:24

Quorum: Six jurisdictions represented.

2. Review / Approve Minutes 01:14 – 01:42

01:20 Mike Quilty moved to approve the February 20, 2025, RVMPO Policy Committee Meeting Minutes as presented. Seconded by Rick Dyer.

No further discussion.

Motion passed unanimously by voice vote.



SUMMARY MINUTES
Rogue Valley Metropolitan Planning Organization
Policy Committee

Action Items

3. Dues 01:42 – 10:14

- 09:47** John Vial moved to approve the raising the Dues from \$0.16 to \$0.25 per capita. Seconded by Mike Quilty
No further discussion.
Motion Passed unanimously by voice vote.

Public Hearing

4. 2025-2026 Unified Planning Work Program 10:14 – 25:07

Chair Eleanor Ponomareff opened the Public Hearing.

No comments received.

Chair Eleanor Ponomareff closed the Public Hearing.

- 23:33** Mike Quilty moved to approve the 2025-2026 UPWP with amendments for the change in Dues. Seconded by Tonia Moro
No further discussion.
Motion passed unanimously by roll call vote.

Action Items Continued

5. RVTB Discussion on Exchanging Gas Tax for CMAQ Funds 25:07 – 35:21

- 28:13** Chair Eleanor Ponomareff approved the creation of the Subcommittee to discuss and provide recommendations for the changes to RVTB Funding.

6. OMPOC Legislative Priorities 35:21 – 38:34

- 37:54** Mike Quilty moved to approve the Chair to speak on behalf of the RVMPO regarding the OMPOC Legislative Priorities. Seconded by Rick Dyer.
No further discussion.
Motion Passed unanimously by voice vote.

7. New PAC Member Application 38:34 – 41:29

- 40:47** Mike Quilty moved to appoint the new RVMPO PAC member, Kevin Walruff, to represent Eagle Point. Seconded by John Vial.
No further discussion.
Motion Passed unanimously by voice vote.



Discussion Items

8. **2025-2050 Region Transportation Plan Chapters 4,7, and 8** 41:29 – 47:13
9. **Public Comment** 47:13 – 47:24
No comments provided.

Regular Updates

10. **MPO Planning Update** 47:13 – 49:48
Update from Ryan MacLaren regarding the possibility of the STIP/TIP to a yearly update.
11. **Other Business / Local Business** 49:48– 52:43
Updates from Medford, Jackson County, and RVTD.
12. **Adjournment**
2:56 p.m.

Scheduled Meetings

RVMPO TAC	April 9, 2025	1:30 p.m.
RVMPO PAC	April 15, 2025	5:30 p.m.
RVMPO Policy Meeting	April 22, 2025	2:00 p.m.

1. Table 2 Revenue and Expenditure Report appears to be incorrect. In December 2024, the RVMPO formally decided to distribute their gas tax discretionary funds based on a base amount and also population percentage of the overall MPO. Jacksonville, Talent and Phoenix are to each receive a base amount of \$50,000/annual, with the rest divided by population percentage. Table 2 does not distribute the funds as approved by the Policy Committee (see Table 4 below from 12/2024 Policy Agenda) . **These allocations need to be added in to the table with a distribution to each city.**

Table 1 below shows the Gas Tax distribution to local jurisdictions for 2028-30.

2. First, what they did for assuming increases in revenues is acceptable with the exception of the previously mentioned RVMPO Gas Tax Discretionary Funds. These funds are distributed by agreement to the MPO and not by formula. It is acceptable to assume receiving these funds. Although we have limited experience with these funds, we do know that they are distributed as a flat amount with no annual increase (see 2028-30). We have no other basis for showing increases. Table 2 shows annual increases all the way to the planning horizon. This includes years 2028-30, which are already known to be flat as shown in Table 4 above. **Correct RVMPO Gas Tax Discretionary Funds revenue projection to be flat through the planning horizon.**

STBG funds account for the increase in revenue for years 2031 to 2050 (the RVMPO will become a TMA in 2032) . Revenue estimates were derived from “Financial Assumptions for the Development of MPO Transportation Plans (July 2022), ODOT Finance Section, Table 3A: Distribution of Federal Highway Funds (YoE).” Revenues include CMAQ, gas tax, and STBG funds.

On the expenditure side, they do not appear to have provided any justification for the inflation rate they are using, except to say it is the same as the revenue. That is known to not be true. The capital cost increases on projects has far outstripped the available revenues, even with increases in the revenue stream. This is why many public works agencies are struggling. **The MPO needs to justify an inflation rate for capital construction costs. They should contact our office for consultation on that rate.**

The 3.3% revenue and project cost inflation factors come from: “Financial Assumptions for the Development of MPO Transportation Plans (July 2022), ODOT Finance Section

The National Highway Construction Cost Index (NHCCI) is a great tool for this, and one that Oregon and many states and MPOs use. Likely, they will find that the inflation rate is significantly higher than what was proposed. FHWA has provided guidance that a 4% inflation rate is acceptable, and appears to be the rate used by many MPOs in the country.

*Staff proposes to use the 3.3% inflation factors recommended in **Financial Assumptions for the Development of MPO Transportation Plans (July 2022), ODOT Finance Section***

3. The South Stage overcrossing was inflated to the year of expenditure from the lowest cost estimate of the cost range, rather than the highest as required. They currently show the project in 2024 dollars at \$162 million. Inflating to at least 2041 at 3.3%/annual inflation (need to see how they arrived at that rate), I get \$340 million (new project list shows \$310 million – generally for all projects, their math doesn't math). Nevertheless, they cannot use the low range of the project, and must use the higher one of \$277 million due to the high unknowns. Inflating that even at 3.3% and only to 2041 (probably should take it to at least mid-range or later) it would be about \$579 million. **Need to use the high range of the South Stage Overcrossing only project.**

Medford listed the South Stage Overcrossing on their long-range project list for \$162,000,000. Here is the Excel formula used to calculate the 3.3% inflation rate (to 2045) for all of the long-range RTP projects including the South Stage Overcrossing =ROUND(\$162,000,000(1.033)^20,0). It comes out to \$310,114,052. Medford chose not to use the higher range project cost.*

4. The Medford Long Range project list shows as \$208 million over-programmed, with RVMPO Discretionary/grant funds making up this deficit. This may get addressed with the other issues above. **The actual number should be closer to \$477 million over-programmed (using the inflation rate identified in the packet and correct South Stage Overcrossing cost estimate). Identify other eligible funds or remove projects.**

Table 1 below shows there is adequate funding to cover the costs of all RTP projects.

5. Table 2 proposes to use \$250 million in federal grant funds. This is an extreme amount that is well beyond any historical receipt of funds. It will require significant justification, a process to assure that it will happen, and identification of what happens if they don't get the funding. Twenty-five million alone is proposed for the upcoming MTIP. **The \$250 million in federal grant funds represents approximately 61% of all discretionary funds in Table 2. Reduce federal grant funds.**

The City of Medford requested the federal grant funds be included in the revenue forecast. A review of the awards for the last round of Federal INFRA grants shows that this program provides grants for multimodal freight and highway projects of national or regional significance. There were several grants for hundreds of millions of dollars given around the country. The largest grant in the last round was \$275M.

The City of Medford will be seeking federal grants for the South Stage Overcrossing. The city has a successful track record for approval of federal TIGER and BUILD grants in 2009, 2010 and 2019. It is feasible that the city will be successful in securing a federal grant in the \$200M price range in 2040 - 2050.

6. Both Central Point and Eagle Point have differing levels of population and degrees of transportation systems. Nevertheless, both have the exact same numbers under the column “Non-capital Needs” under Table 2 Revenues and Expenditure Forecast. **Why?**

In June 2024, MPO staff sent Eagle Point and Phoenix draft Excel revenue / expenditure forecasts for review and comment. We received no comment on the drafts at the deadline so that is what was included in the financial forecast. At the May TAC meeting, Eagle Point indicated they will update their forecast based on new information.

7. The City of Phoenix Short Range list of projects is funded on Table 2 with up to 85% CMAQ funds on two projects that have very little eligibility for CMAQ funds. Only \$150,000 of RVMPO Gas Tax Discretionary Funds can be applied in this timeframe. **Identify other eligible funds or remove projects.**

Phoenix can use some CMAQ funds, but the majority of funding will come from STBG funds.

8. The City of Phoenix Medium Range list of projects identifies a new collector with a high cost (see original letter). The MPO applied Discretionary funds. However, only \$500,000 is available in Discretionary Gas Tax and it is ineligible for CMAQ, and quite likely does not compete well for federal discretionary funds given the type and function of roadway. **Identify other eligible funds or remove projects.**

Phoenix will be able to compete for RVMPO STBG discretionary funding for their projects.

9. The City of Talent includes almost \$7 million for mostly new or rebuilt roads in the medium range. Table 2 indicates that the MPO intends to fund these projects with up to 64% CMAQ funds. These projects are mostly ineligible. The City of Talent Long Range also includes ineligible CMAQ projects, but nevertheless proposes to use \$11 million to \$12.5 million. Only \$500,000 of RVMPO Gas Tax Discretionary Funds can be applied in this timeframe. **Identify other eligible funds or remove projects.**

Talent will be able to compete for RVMPO STBG discretionary funding for their projects.

- 10.** Review Jackson County’s list of projects in the Long Range as it does not appear to have anywhere close to \$17 million in eligible projects (after using their \$9+ million in RVMPO Gas Tax Discretionary Funds. **Please justify. Identify other eligible funds or remove projects.**

Jackson County will be able to compete for RVMPO STBG discretionary funding for their projects.

- 11.** Non-capital needs typically include administrative costs and maintenance costs (that do not extend the life of the pavement – pothole repair, striping, etc). Some of these jurisdictions have zero dollars left, and in fact, many are negative. **Does this mean they do not intend on doing any pavement overlays (extend the pavement life)? This may need to be re-thought.**

The zero dollars left (Table 1, last column) indicates the jurisdiction does not need MPO funds to cover future RTP project costs. Table 1 shows that all jurisdictions have sufficient funds to cover administrative and maintenance costs (see “Non-Capital Needs” and “Funds Available” columns).

Mike Baker 2025-50 RTP Financial Constraint Issues

Table 1 – 2025-50 RTP Revenue Forecast

Jurisdiction	Time Frame	Year of Expenditure (YoE) X \$1,000										
		Federal Funds in TIP	MPO Gas Tax	State Gas Tax	Local			Total	Non-Capital Needs	Funds Available	Tier 1 RTP Project Costs "YoE" 3.3%	RVMPO Future Discretionary Funds
					SDC's	Fees	Other					
Ashland	short	\$4,600	\$494	\$11,705	\$990	\$10,673	\$1,026	\$29,488	\$17,590	\$11,897	\$8,458	\$0
	medium			\$25,384	\$2,014	\$22,586	\$1,710	\$51,694	\$43,347	\$7,847	\$0	\$0
	long			\$35,154	\$2,578	\$30,354	\$1,710	\$69,795	\$70,293	\$2	\$0	\$0
Central Point	short	\$3,200	\$452	\$10,728	\$300	\$5,100	\$5,000	\$24,780	\$5,647	\$19,134	\$5,763	\$0
	medium			\$23,266	\$500	\$8,500	\$6,500	\$38,766	\$11,485	\$27,280	\$1,555	\$0
	long			\$32,220	\$500	\$8,500	\$4,250	\$45,470	\$14,702	\$30,767	\$9,645	\$0
Eagle Point	short		\$229	\$5,431	\$725	\$2,640	\$0	\$9,024	\$5,647	\$3,377	\$912	\$0
	medium			\$11,777	\$1,474	\$5,812	\$0	\$19,063	\$11,485	\$7,578	\$8,301	\$0
	long			\$16,310	\$1,887	\$8,198	\$0	\$26,395	\$14,702	\$11,692	\$40,056	-\$28,364
Jacksonville	short		\$150	\$1,744	\$83	\$984	\$0	\$2,961	\$2,217	\$745	\$0	\$0
	medium			\$3,782	\$169	\$1,777	\$0	\$5,728	\$4,508	\$1,220	\$0	\$0
	long			\$5,238	\$216	\$1,963	\$0	\$7,417	\$5,771	\$1,646	\$0	\$0
Medford	short	\$60,150	\$2,091	\$49,580	\$17,436	\$68,286	\$5,110	\$202,653	\$86,234	\$116,418	\$23,292	\$0
	medium			\$107,523	\$35,416	\$138,395	\$10,394	\$291,728	\$175,399	\$116,329	\$35,406	\$0
	long			\$148,904	\$45,335	\$168,703	\$13,305	\$376,247	\$224,525	\$151,722	\$369,792	-\$218,070
Phoenix	short		\$150	\$2,058	\$681	\$1,048	\$0	\$3,937	\$3,379	\$558	\$3,294	-\$2,736
	medium			\$4,464	\$1,500	\$2,307	\$0	\$8,271	\$6,873	\$1,398	\$15,087	-\$13,689
	long			\$6,181	\$2,116	\$3,255	\$0	\$11,552	\$8,798	\$2,754	\$1,474	\$0
Talent	short		\$150	\$2,949	\$504	\$963	\$0	\$4,566	\$3,513	\$1,053	\$0	\$0
	medium			\$6,396	\$1,110	\$2,120	\$0	\$9,626	\$7,146	\$2,480	\$6,973	-\$4,493
	long			\$8,857	\$1,566	\$2,990	\$0	\$13,413	\$9,147	\$4,266	\$16,712	-\$12,446
Jackson Co. (RVMPO Area)	short	\$28,500	\$894	\$30,091	\$3,000	\$3,600	\$1,700	\$67,785	\$22,894	\$44,891	\$20,584	\$0
	medium			\$63,273	\$5,000	\$6,000	\$7,000	\$81,273	\$46,565	\$34,708	\$31,338	\$0
	long			\$87,543	\$5,000	\$6,000	\$1,700	\$100,243	\$59,607	\$40,636	\$67,000	-\$26,364
Street System Totals		\$96,450		\$700,556	\$130,101	\$510,753	\$59,405	\$1,501,874	\$861,476	\$640,399	\$665,642	-\$306,162
Total MPO Funds Available 2025-2050												\$324,609
Total MPO Funds Less Future MPO Funds Needed for Local Projects												\$18,447

Mike Baker 2025-50 RTP Financial Constraint Issues

Table 2 – 2025-50 RTP CMAQ, Gas Tax, STBG & Federal Grant Forecasts

CMAQ (\$ X 1,000)			Gas Tax, STBG & Federal Grants (\$ X 1,000)						Total CMAQ, STBG/Gas Tax & Grants for Projects
YEAR	Total CMAQ	Available CMAQ (by time frame)	YEAR	Total Funds	RVTD Share of Funds	Available Funds for Projects	Federal Grants for Projects	Available Project Funds (by time frame)	
2025	Funds Committed to 2027		2025	Funds Committed to 2027					
2026			2026						
2027			2027						
2028			2028	\$566	\$566	\$0			
2029	\$1,307	\$3,922	2029	\$566	\$566	\$0		\$0	\$3,922
2030	\$1,350		2030	\$566	\$566	\$0	\$0		
2031	\$1,394		2031	\$2,043	\$566	\$1,477			
2032	\$1,440		2032	\$4,500	\$566	\$3,934			
2033	\$1,488		2033	\$4,649	\$566	\$4,082			
2034	\$1,537		2034	\$4,802	\$566	\$4,236			
2035	\$1,588		2035	\$4,960	\$566	\$4,394			
2036	\$1,640		2036	\$5,124	\$566	\$4,558			
2037	\$1,694		2037	\$5,293	\$566	\$4,727			
2038	\$1,750		2038	\$5,468	\$566	\$4,902			
2039	\$1,808	\$16,208	2039	\$5,648	\$566	\$5,082		\$67,659	\$83,867
2040	\$1,868		2040	\$5,835	\$566	\$5,268	\$25,000		
2041	\$1,929		2041	\$6,027	\$566	\$5,461			
2042	\$1,993		2042	\$6,226	\$566	\$5,660			
2043	\$2,059		2043	\$6,432	\$566	\$5,865			
2044	\$2,127		2044	\$6,644	\$566	\$6,078			
2045	\$2,197		2045	\$6,863	\$566	\$6,297			
2046	\$2,269		2046	\$7,090	\$566	\$6,523			
2047	\$2,344		2047	\$7,323	\$566	\$6,757			
2048	\$2,422		2048	\$7,565	\$566	\$6,999			
2049	\$2,501	\$22,425	2049	\$7,815	\$566	\$7,249		\$214,395	\$236,820
2050	\$2,584		2050	\$8,073	\$566	\$7,506	\$150,000		
	\$42,555			\$120,078	\$13,024	\$107,054	\$175,000	Total Funds	\$324,609
3.3% annual increase			3.3% annual increase						



Oregon

Tina Kotek, Governor

Department of Transportation
Region 3 Planning & Programming
3500 NW Stewart Parkway
Roseburg, OR 97470
Phone: (541) 957-3500
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March 31, 2025

Ryan MacLaren
Rogue Valley MPO
155 N. 1st Street
PO Box 3275
Central Point, OR 97502

RE: 2025-2050 Draft Regional Transportation Plan Financial Constraint

Dear Ryan,

Thank you for providing the project list and funding tables for projects in the Draft 2025-2050 Regional Transportation Plan (RTP). We appreciate all the work that you and your agency put into developing such an important document. The RTP is an important tool to guide transportation investment and development in the Rogue Valley for the next 20+ years, ensuring a comprehensive and coordinated approach to meeting the region's transportation needs.

We were a bit surprised to see that the South Stage Overcrossing project was identified in the RTP as a financially constrained project. As a result, we decided to take a deeper dive into the RTP to review its financial constraint as it relates to both state and federal regulations for all projects.

As you know, ODOT completed a pre-NEPA planning document for a potential, future South Stage Overcrossing/Interchange in 2024 that identifies several alternatives. We noted that the overcrossing project identified in the RTP is currently shown at \$200 million. We also note that the two overcrossing alternatives in this study identify these potential solutions with associated costs on the low end ranging from \$162 million to \$213 million, and on the high end between \$211 to \$277 million dollars.

We undertook a review of all projects in the RTP Tier One fiscally constrained list and compared them to the metropolitan cities and county transportation system plans (TSP). We were able to locate most of the projects that were in the RTP within those documents. Those source TSPs include the 2016 Talent TSP, the 2012 Ashland TSP, the 2017/2019 Phoenix TSP, the 2008 Central Point TSP, the 2017 Medford TSP, the 2010 Eagle Point TSP, and the 2022 Jackson County TSP. Both the project and dollar amount in the RTP matched exactly with those TSPs.

Those project estimates are old and were developed generally between 3-17 years ago (with just a couple of exceptions that were adjusted from an email I sent earlier regarding project costs). Therefore, it does not appear that an inflationary factor was applied to project estimates consistent with the requirements under 23CFR 450.324(f)(11)(iv)¹. Project costs must be inflated to the projected year of expenditure in the RTP.

¹ 23CFR 450.324(f)(11)(iv): "Revenue and cost estimates that support the metropolitan transportation plan must use an inflation rate(s) to reflect "year of expenditure dollars," based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s)."

The National Highway Construction Cost Index (NHCCI) for highway construction projects has increased significantly since 2014. We as a State DOT, we have seen these increases, which in turn has limited our ability to deliver as many projects as possible. Here is a summary of the NHCCI inflation rate between 2014 and 2024.

- **2014-2019:** The average annual growth rate for this period was around 4.4%.
- **2020:** The growth rate dropped to 2.5%.
- **2021-2022:** Costs saw significant increases, with an average inflation rate of 8% in 2021 and 12% in 2022.
- **2023:** The NHCCI continued to rise, with the annualized rate reaching 9.6% in the first quarter of 2024, a 2.4% increase over the last quarter of 2023.
- **2024:** The NHCCI fell by 2.0% in the second quarter of 2024 from the first quarter of 2024 after reaching a new all-time high in the first quarter of 2024.

We do think it is unlikely that this rate of inflation will continue, however, due to inflation instability, a future rate is difficult to determine. FHWA has provided guidance² that using an annual inflation rate of 4% in the RTP is acceptable, unless a higher or lower number can be justified. Please note that inflation factors for revenue projections are normally different from inflation factors associated with actual construction costs.

Corrective Action 1: As required in 23CFR 450.324(f)(11)(iv), the 2025-2050 RTP shall develop a financial plan which includes revenue and cost estimates for projects based on year of expenditure dollars.

Federal regulations³ allow for MPOs to utilize cost-bands for large projects projected beyond the first ten-years, particularly where there is significant potential for uncertainty and risk. Future funding sources reasonably expected to be available shall be identified to carry out the upper band of the cost-band.

Cost bands are useful. Projects in the second 10-years of the Regional Transportation Plan might fall into this category, particularly larger projects. Risks and uncertainties may result from cost escalation (materials and labor), construction unknowns (unknown site conditions), uncertain environmental mitigation, unknown right-of-way needs, contractor risk and other causes. A cost band is a potential range of project costs that considers these and other risks and other potential uncertainties. A cost band can help convey the uncertainty of an estimate for a project and help educate other parties (such as the public and elected officials) who may not be intimately familiar with the project about cost variability. The use of cost bands in the second ten years of the RTP can help avoid misleading the public or others with a false sense of precision.

The South Stage Overcrossing would be one such project that would benefit from the use of a “cost-band.” The limited analysis and projected cost of each alternative varies widely, with significant more work to refine and select a project alternative. Because this is a major project, with significant unknowns, it is more appropriate for the MPO to use a “cost-band” in the RTP. This would show a cost of \$162 to \$277 million before inflation in 2024 dollars. The “cost-banded” project should utilize the higher number of \$277 million, then add inflation to the planned year of expenditure in the RTP.

Recommendation 1: As recommended by FHWA guidance, use a cost-band for the South Stage Overcrossing Project and identify available funding to support the highest level of the cost-band with inflation to the planned year of expenditure.

² <https://www.fhwa.dot.gov/planning/fscfctrntques.cfm>, #6, FHWA Financial Planning and Fiscal Constraint for Transportation Plans and Programs Q & A, 2009

³ 23CFR 450.324(f)(11)(v): For the outer years of the metropolitan transportation plan (*i.e.*, beyond the first 10 years), the financial plan may reflect aggregate cost ranges/cost bands, as long as the future funding source(s) is reasonably expected to be available to support the projected cost ranges/cost bands.

We reviewed the projected attribution of discretionary funds (CMAQ) toward projects in the RTP provided by your office, which identifies its use by jurisdiction and time range. As you know, the CMAQ program is funded by the federal government for the purpose of providing a source of flexible funding to states and local governments for transportation projects and programs that help meet the Clean Air Act requirements by reducing mobile source emissions in areas designated as nonattainment or maintenance areas for air quality standards.

The draft list of fiscally constrained projects identifies a future medium range project PHX-120 in the city of Phoenix which includes construction of a new 1.13-mile collector street to serve industrial/employment lands for \$9,500,000 (see Table 1 below). The medium range project list for the City of Phoenix includes four other projects with a total cost for all just over \$1.4 million. The revenue table we received from the MPO (see Table 2) indicates that \$9.5 million of MPO discretionary funds are available to the city for their medium range projects. Although CMAQ may be able to fund sidewalk/bike lane improvements, it is ineligible to fund most of the cost associated with construction for a new collector road as the draft RTP seems to indicate. Similar projects associated with CMAQ funds are included in Ashland and Talent. Please review the allocation of CMAQ funds to ensure that programmed projects meet the requirements and allocation of the funding source for all jurisdictions.

Table 1: Draft 2025-2050 Regional Transportation Plan, City of Phoenix Medium Range Project List

PHX-002	Rose St, Oak to 1st	Install sidewalks - length: .218 miles	Medium	\$346,500
PHX-003	Camp Baker Road, Hilsinger to Colver	new or improved sidewalks on both sides - length: .258 miles	Medium	\$445,000
PHX-004	Oak St. Rose to Main	Install sidewalks - length: .216 miles	Medium	\$363,000
PHX-006	Colver Rd., First St. to Southern UGB Boundary	Construct multi-use path on east side - length: .410 miles	Medium	\$250,000
PH6-120	UGB west of railroad between S. Stage Road and Houston Rd	New collector street and railroad crossing to serve industrial/employment lands - length: 1.13 miles	Medium	\$9,400,000

Table 2: Draft 2025-2050 Regional Transportation Plan Year of Expenditure – Discretionary Funds

Jurisdiction	Time Frame	Table 9.3.1 Year of Expenditure (YoE) X \$1,000									
		Federal Funds	State Gas Tax	Local			Total	Non-Capital Needs	Funds Available	Tier 1 RTP Project Costs	RVMPO Future Discretionary Funds
				SDC's	Fees	Other					
Ashland	short	\$4,600	\$11,705	\$990	\$10,673	\$1,026	\$28,994	\$17,590	\$11,403	\$7,752	
	medium		\$25,384	\$2,014	\$22,586	\$1,710	\$51,694	\$43,347	\$7,847	\$0	
	long		\$35,154	\$2,578	\$30,354	\$1,710	\$69,795	\$70,293	\$2	\$11,702	\$11,700
Central Point	short	\$3,200	\$10,728	\$300	\$5,100	\$5,000	\$24,328	\$5,647	\$18,681	\$4,899	
	medium		\$23,266	\$500	\$8,500	\$6,500	\$38,766	\$11,485	\$27,280	\$1,124	
	long		\$32,220	\$500	\$8,500	\$4,250	\$45,470	\$14,702	\$30,767	\$5,038	
Eagle Point	short		\$5,431	\$5,270	\$2,640	\$0	\$13,340	\$5,647	\$7,693	\$775	
	medium		\$11,777	\$10,719	\$5,812	\$0	\$28,308	\$11,485	\$16,822	\$8,000	
	long		\$16,310	\$13,721	\$8,198	\$0	\$38,228	\$14,702	\$23,526	\$20,925	
Jacksonville	short		\$1,744	\$83	\$984	\$0	\$2,811	\$2,217	\$595	\$0	
	medium		\$3,782	\$169	\$1,777	\$0	\$5,728	\$4,508	\$1,220	\$0	
	long		\$5,238	\$216	\$1,963	\$0	\$7,417	\$5,771	\$1,646	\$0	
Medford	short	\$60,150	\$49,580	\$11,179	\$48,471	\$4,471	\$173,851	\$90,080	\$83,771	\$27,925	
	medium		\$107,523	\$22,737	\$106,714	\$9,095	\$246,069	\$183,220	\$62,849	\$25,590	
	long		\$148,904	\$29,105	\$157,695	\$11,642	\$347,345	\$234,537	\$112,808	\$231,175	\$118,367
Phoenix	short		\$2,058	\$681	\$1,048	\$0	\$3,787	\$3,379	\$408	\$2,800	\$2,392
	medium		\$4,464	\$1,500	\$2,307	\$0	\$8,271	\$6,873	\$1,398	\$10,905	\$9,507
	long		\$6,181	\$2,116	\$3,255	\$0	\$11,552	\$8,798	\$2,754	\$770	
Talent	short		\$2,949	\$504	\$963	\$0	\$4,416	\$3,513	\$903	\$1,400	
	medium		\$6,396	\$1,110	\$2,120	\$0	\$9,626	\$7,146	\$2,480	\$5,040	\$2,560
	long		\$8,857	\$1,566	\$2,990	\$0	\$13,413	\$9,147	\$4,266	\$8,730	\$4,464
Jackson Co. (RVMPO Area)	short	\$28,500	\$57,698	\$3,000	\$3,600	\$1,700	\$94,498	\$22,894	\$71,604	\$17,500	
	medium		\$63,273	\$5,000	\$6,000	\$7,000	\$81,273	\$46,565	\$34,708	\$22,650	
	long		\$87,543	\$5,000	\$6,000	\$1,700	\$100,243	\$59,607	\$40,636	\$35,000	
Street System Totals		\$96,450	\$728,162	\$120,558	\$441,086	\$55,804	\$1,442,060	\$883,155	\$558,905	\$449,700	\$148,989
Total MPO Funds Available 2025-2050											\$151,483
Total MPO Funds Less Future MPO Funds Needed for Local Projects											\$2,494

Your email included a chain of emails between your staff and the city of Medford about applying \$20 million from a BUILD competitive grant, presumably to fund the South Stage Overcrossing. It is unclear if the source was used in the MPO revenue forecast, but the email leaves the impression it is included.

BUILD is a highly competitive federal grant that provides funding for surface transportation infrastructure projects with significant local or regional impact. Very few are given out in the State. If this fund source was used in your financial projections, please include additional information, assurances and actions the MPO is taking to ensure a future award.

Corrective Action 2: The MPO shall identify available and eligible revenue sources to ensure that the allocation of funds is consistent with eligibility requirements.

Corrective Action 3: The MPO shall provide clarity if a BUILD or other competitive federal grant is included as a revenue source in the RTP financial plan⁴ and if so, make findings on the actions and processes the MPO will undertake to assure receipt of those federal competitive grant(s).

As the RTP list of projects is currently drafted, we do not believe that it is fiscally constrained as required by federal regulations. We ask that you address the actions and recommendation above.

Once you have addressed these items, please forward a redlined version of the RTP constrained list to me as soon as is convenient along with any other associated findings or information.

If you have any questions, please feel free to contact me at 541-957-3658.

Sincerely,

Michael Baker /signed electronically 3/31/25

Michael Baker
ODOT Region 3 Planning and Development Manager

Cc: Erik Havig, ODOT, Statewide Planning Manager
Ashley Bryers – FHWA, Oregon Division
Jasmine Harris – FHWA, Oregon Division
Danielle Casey – FTA, Region 10
Tom Guevara – ODOT, Region 3 Planning
Natalie Lijenwall – ODOT, TPAU

⁴ 23CFR 450.324(11)(ii) For the purpose of developing the metropolitan transportation plan, the MPO(s), public transportation operator(s), and State shall cooperatively develop estimates of funds that will be available to support metropolitan transportation plan implementation, as required under § 450.314(a). All necessary financial resources from public and private sources that are reasonably expected to be made available to carry out the transportation plan shall be identified.