



# Oregon

Theodore R. Kulongoski, Governor

## Department of Transportation

Robert W. Bryant

Region 4 Manager

63055 N Hwy 97

Bend, OR 97708

Telephone (541) 388-6184

FAX (541) 388-6231

E-mail: robert.w.bryant@state.or.us

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File Code:

Paul D. Dewey  
1539 NW Vicksburg  
Bend, OR 97701

**Subject: Proposed Thornburgh Destination Resort**

Dear Mr. Dewey:

Thank you for your November 8<sup>th</sup> letter which listed a number of concerns about the Oregon Department of Transportation's (ODOT's) approach to mitigating the transportation impacts of destination resorts. You specifically used the example of our draft Cooperative Improvement Agreement (CIA) with Thornburgh and identified the following key concerns:

1. the interchange cost estimate is too low (due to outdated estimate, inflation, right of way cost increases, etc.),
2. potential deficiencies in the Traffic Impact Analysis (TIA),
3. a provision for refund of the developer mitigation in ten calendar years, and;
4. the lack of a guarantee that transportation improvements will actually be constructed when needed.

As you are likely aware, there has been a lot of recent discussion at the Central Oregon Area Commission on Transportation (COACT) and the Oregon Transportation Commission (OTC) about how best to address the transportation impacts associated with destination resorts. Unfortunately ODOT's authority is very limited, which creates a constant challenge for ensuring that a development pays its fair share of needed improvements. In almost every case, a public share is also required which creates an even greater challenge for ensuring the improvements are actually in place when they are needed. There are many current examples on our state and local road system where there is an existing high priority need to construct significant and costly improvements, but there is insufficient public revenue to do so. Increasingly we are relying on public/private partnerships to get these improvements funded and constructed as soon as we can. Rural interchanges at Highway 126 @ Powell Butte and Highway 20 @ Cline Falls, as well as many urban improvement projects in Bend, Redmond, Prineville, and Madras are all contingent on these types of funding partnerships.

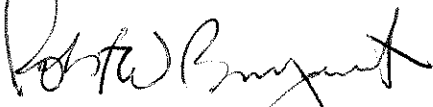
In the specific case of Highway 20 in Tumalo, it is important to recognize that there is an existing need to improve safety and operations at the intersections of Cook Avenue and Cline Falls, even without any additional development such as Thornburgh. The reality is that while

destination resorts tend to develop in an incremental fashion over a relatively long period of time, they also create the opportunity to establish a funding partnership to get improvements implemented sooner than if we relied entirely on public funds.

Nonetheless, I agree that these types of funding partnerships should be based on the most realistic and accurate cost information and traffic impact analysis available. In addition, we also agree that it would be ideal if we could assure that the improvement is actually in place by a given date or phase of development, rather than leave the construction date totally indefinite. Recognizing that the draft CIA for Thornburgh is dated as are the numbers from which it was based, I have asked my staff to work closely with Deschutes County planning staff and Thornburgh representatives to update the draft agreement to address these issues. That work is underway.

Thanks again for all of your hard work on behalf of the Tumalo and Central Oregon.

Sincerely,



Robert W. Bryant, P.E.  
Region Manager

cc via e-mail: COACT  
Gary Farnsworth  
Mark Devoney  
Jim Bryant  
Joel McCarroll