



MENDOCINO  
COUNCIL OF GOVERNMENTS

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December 8, 2006

City of Willits  
111 E. Commercial Street  
Willits, CA 95490

Dear Mayor Jorgensen and City Council:

Several weeks ago, City Manager Walker suggested that I appear before you to provide an update on our favorite subject, the U.S. 101 bypass of Willits. I suggested that December would be an appropriate time, since the environmental process would be nearly completed. He advised that the new council would be seated by this time and it would be appropriate to brief new council members.

Tomorrow, December 9, 2006, marks the end of the 30-day federal review period for the Willits Bypass Environmental Impact Report/ Environmental Impact Statement (EIR/EIS). During this period, federal agencies are permitted to comment on the draft final, after which Caltrans has 10 days to respond to comments prior to finalizing the document with a Record of Decision. This will complete a process we began some 14 years ago that has cost millions and the investment of countless hours of many in the community. 4 ½ years have elapsed since the draft was first released in 2002.

Many years ago we started the process and analyzed as many as 23 different alternatives for a bypass. There are now only two options available to Caltrans and the Willits community: build a four-lane freeway project along the Modified J1T alignment, or build nothing. There is no EIR/EIS for a two-lane project, which would be necessary for funding and constructing such a permanent facility.

I am aware that there has been a lot of confusion within the community regarding the process to build a major facility merely because it takes so long. I've heard a number of comments that suggested that nothing is happening or will happen because the funding for the construction has not been secured. In reality, all State highway projects are funded in phases. The first phase is Environmental, which has long been funded and is now almost complete. The second is Design, which has also long been funded. The third is Right-of-Way, which MCOG funded with a \$14 million commitment earlier this year. The final category is Construction, which remains under-funded. Through various sources, though, we have some \$153 million already secured that will go toward construction.

Generally speaking, the design phase cannot begin until the environmental phase has been completed. But in this case, Caltrans took a risk and started the design phase when it became clear that the limitations imposed by federal agencies because of wetlands issues would severely constrain the alternatives. Now, about 95% of the structure design is complete and about 60% of the overall design. I assume that once the environmental document is finalized, Caltrans right-of-way people will soon be contacting affected property owners.

This project is a huge one; it's expensive even by California standards. That \$153 million we have locked up for construction would probably have built the whole project ten years ago. However construction costs have increased dramatically in the past two years. Not just here in Mendocino County, in California, or even the U.S. It has been a world-wide phenomenon, largely in response to globalization and world markets.

Only about 18 months ago did I learn that the cost of the project was about to exceed \$200 million. A recent cost estimate set that amount at \$284 million. Because we have to escalate costs out to year of construction, the total cost by 2010 may be \$356 million. That number includes money already committed or spent in the past 14 years (\$167 million) and leaves a funding gap of about \$189 million.

So, how do MCOG and Caltrans fund this amount? Our plan earlier this year was to indicate continued commitment to the project by programming almost all (\$1 million was programmed for MTA bus replacements) of available funding toward the right-of-way component of the bypass. We were expecting Caltrans to then program additional construction dollars in the 2008 State Transportation Improvement program (STIP) cycle. Of course, at that time our understanding of the need was considerably less than \$190 million.

Now we have a new funding opportunity. Proposition 1B, approved by the voters last month provides almost \$20 billion statewide for transportation projects in a series of programs. One of these programs is the Corridor Mobility Improvement Account (CMIA). There is \$4.5 billion available statewide in the CMIA for major projects that reduce congestion in urban areas and provide for corridor connectivity in rural areas. Those projects on identified Focus Routes will receive top priority in this competitive process. U.S. 101 is one of only ten Focus Routes in the state.

In coordination with Caltrans District 1, MCOG staff has been preparing an application for construction funding through the CMIA program. Applications are due to the California Transportation Commission on January 16, 2007. We actually have two projects in Mendocino County that will pass muster under the CMIA guidelines: the Willits Bypass and the Hopland Bypass. Willits is much further along in the development phases and remains our top highway improvement priority. Staff does not want the emphasis on our priority to be diluted by forwarding two applications to the California Transportation Commission.

MCOG will meet to consider the CMIA application for the Willits Bypass at a meeting on January 8, 2007. They will be acting on a recommendation provided by our Technical Advisory Committee (TAC) that meets on December 20, 2006. MCOG staff will be recommending to the TAC that they recommend approval of a CMIA application for full funding of the Willits Bypass project.

As the environmental process is nearing completion and now there are prospects for funding the project with bond revenues, there are renewed calls among some for re-consideration of a two-lane bypass option.

The environmental document calls for a four-lane freeway and nothing less. A two-lane bypass does not meet the adopted Purpose & Need of this Principal Arterial highway. Highway improvement projects in rural areas are designed for either a Level of Service B or C. The calculated Level of Service for a two-lane facility would be Level of Service D on opening day. A two-lane bypass would therefore artificially constrain this major State highway.

Proponents of a two-lane bypass refer to a 1999 Caltrans Value Analysis Alternative study for support. That report, one of hundreds of interim reports produced over the years, was a brainstorming exercise that “assumed” that a Level of Service C could be obtained and maintained with a two-lane alternative. The final EIR/EIS provides calculations that do not support the conclusions of this interim report.

Two-lane proponents claim that a two-lane bypass would be less costly, and therefore be more cost-effective. In reality there is a relatively small incremental difference between the cost of the project and a two-lane interim alternative. The full cost would be \$314 million, compared to \$356 million for the project supported by the EIR. Yes, \$42 million is real money, but less than 12% savings. There is no two-lane alternative that will save any more than that.

Two-lane advocates in the community are now claiming that we need to re-examine our commitment to the project because of “peak oil” issues. My response is “Peak oil? – maybe. Peak traffic- no way!” Traffic volumes continue to increase. Volumes increase as the population increases. This state will have 50 million people in a few years. Mendocino County will have more people, so will Willits and Brooktrails. Our entire economy (and increasingly the world’s) is based on a good transportation system. We will adapt to energy and environmental concerns through alternative fuels. It is already happening.

For those who assume Americans are going to abandon the freedom afforded by the automobile in response to higher gasoline prices, I will refer them to a September 2006 report produced by the Center for the Study of Energy Markets (Hughes, Knittel, & Spurling, U.C. Berkeley) entitled *Evidence of a Shift in the Short-Run Price Elasticity of Gasoline Demand*. This report concludes, at least for the short term, that “*Whatever the cause, the results presented here suggest that today’s consumers have not significantly altered their driving behavior in response to higher gasoline prices.*”

Two-lane proponents have thus far ignored safety issues. Four-lane facilities are inherently much safer than two-lane highways. A two-lane facility that would provide for passing opportunities, considering the mix of passenger cars and trucks, would be disastrous. The other option would be a median barrier. A median barrier would severely inhibit emergency response opportunities. If you like Ridgewood Grade and Route 37 (Sears Point to Vallejo) you would enjoy the reality of a two-lane alternative.

Most of the arguments for a two-lane bypass have been addressed over and over again by Caltrans and MCOG. Studies, analysis and findings by scores of professional planners and engineers have yet to dissuade “social engineers” from attempting to impact public policy. Public comments were considered and environmental mitigations have been identified and required. We will soon have a final EIR/EIS for a four-lane bypass.

I have dwelled here on responses to two-lane proponents because I know they will be in the audience for the hearing of this agenda item. Hopefully having some responses in hand will save time on this agenda item next week.

MCOG is looking forward to continued support for this project that will ultimately have a very positive effect on your community.

I will, of course, be available for any questions the Council may have.

Sincerely,

Phillip J. Dow, P.E.  
Executive Director

cc: Marsha Wharff, MCOG Chair  
Hal Wagenet, District 3 Supervisor