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OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting August 20-21, 2008 Redmond, Oregon

On Wednesday, August 20, 2008, at 9:00 a.m., the Oregon Transportation Commission (OTC) toured the Redmond Highway and multimodal projects. The OTC and Oregon Department of Transportation (ODOT) staff held a workshop in Room A at Eagle Crest Resort in Redmond. During the lunch break, Scott Bernstein, Founder and President of the Center for Neighborhood Technology was the keynote speaker. That evening, a no-host social hour and dinner was held in Room B.

On Thursday, August 21, at 8:00 a.m., the OTC and ODOT staff held a briefing session and reviewed the agenda in Room B at Eagle Crest Resort. The regular monthly meeting began at 9:30 a.m. in Room A.

Notice of these meetings was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Chair Gail Achterman	Communications Div. Admin. Patrick Cooney
Commissioner Janice Wilson	Governor's Sr. Trans. Advisor Chris Warner
Commissioner Alan Brown	Public Transit Div. Admin. Michael Ward
Commissioner David Lohman	Region 1 Manager Jason Tell
Director Matthew Garrett	Region 2 Manager Jane Lee
Chief of Staff Joan Plank	Region 3 Manager Paul Mather
Deputy Director for Highways Doug Tindall	Region 4 Manager Bob Bryant
Deputy Director Central Services Lorna Youngs	Region 5 Manager Monte Grove
Trans. Development Administrator Jerri Bohard	Commission Assistant Amy Nichols

Wednesday, August 20, 2008

Chair Achterman called the workshop to order at 10:10 a.m.



Transportation Development Division (TDD) Administrator Jerri Bohard and Craig Greenleaf (retired TDD Administrator) gave an informational presentation on key and emerging issues relative to transportation and its role in economic and community development. (*Background material and PowerPoint presentation in General Files, Salem.*)

Jerri Bohard began by highlighting the objectives of the workshop, which are to enhance the Commission's understanding of key and emerging issues around transportation and economic development, and some of the challenges faced. Topics that will be discussed include examples of highway projects that have been very successful, (Washington County transformation of 185th Avenue, Clackamas County/Sunnyside

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Road from I-205 to SE 162nd Avenue, and Redmond/OR126 Highland-Glacier couplet), the role of transportation since the early 1900s, challenges faced, tools available, and Commission Work Plan updates.

The challenges faced include population growth, an increase in vehicle miles traveled (VMT), greenhouse gas emissions, the shrinking purchasing power of the gas tax, fuel price trends, transportation construction costs increases, and funding issues.

Craig Greenleaf discussed the tools used to shape the decision-making process. ODOT is governed by federal law, state statute and administrative rules, federal and state executive orders, and finally OTC direction and the Oregon Transportation Plan. Funding shortfalls, tightening of friction points over competing interests and lack of alignment between federal, state and local legal and policy mandates are issues that create timing and funding problems.

ODOT General Counsel Dale Hormann talked about the legal parameters and limits that affect agreements with local government and developers. Debt limitation is the major difficulty for both state and local jurisdictions.

Craig Greenleaf discussed access management and mobility standards. Access management connects safety and efficiency with land use and development to reduce crashes, increase capacity and reduce congestion/travel time. Mobility standards are designed to create performance standards for evaluating impacts of plan changes on mobility and guiding decision making.

Jerri Bohard talked about “reasonably likely determinations,” which is defined as the belief that it is reasonable and likely that within a twenty-year horizon, funding will be available for a given project.



Scott Bernstein, Founder and President of the Center for Neighborhood Technology, provided an informational report on land use transportation integration and the impact on community livability and vitality. (This presentation was not recorded.)
(PowerPoint presentation in General Files, Salem.)



The Commission held an informational discussion with Mayor Alan Unger, City of Redmond; Brent Curtis, Washington County; Kirk Schueler, Brooks Resources; and Richard Whitman, Director, Department of Land Conservation and Development.
(Background material and PowerPoint presentation in General Files, Salem.)

Brent Curtis discussed five points: growth in Washington County; the transportation funding system in Washington County; economic development opportunities; the

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“reasonably likely” standard; and a suggestion on emerging planning issues and approaches that might be opportunities for the OTC as it looks to adjust policies.

There has been a tremendous amount of growth in Washington County and more growth is anticipated. The Oregon Planning Program influenced Washington County to put an urban growth boundary in place in the 1980s, and it became clear that the transportation system was its most difficult infrastructure challenge. The Washington County Transportation Funding System was developed to meet this challenge, but with the current growth, the funding system has been running at an \$85-million annual shortfall.

Two planning areas fall outside the existing system, the North Bethany Expansion area and the Hillsboro Industrial Expansion. These areas, that have to be planned outside of the \$3.7 billion local transportation needs, will bring 10,000 jobs and 5,000 housing units. The challenge is to find real ways to provide these real facilities. While the Major Streets Transportation Improvement Program and Traffic Impact Fee generate a lot of money, the amount only covers a small portion of the county’s needs and it continues to struggle with how to finance these needs for growing communities. To this end, Brent urged the Commission to move toward the notion that the existing “reasonably likely” standard is not the right standard any more. It’s too short-term focused, does not account for state economic development interests, and it’s not sustainable, which might result in irrational outcomes. An improved approach would capitalize on a long-range focus of Urban Reserve Planning and partnerships with local governments to generate new funds to invest.

Redmond Mayor Alan Unger said Central Oregon is a fast growing area, and Redmond faces the same challenges as Madras and Bend. There are areas within the city limits that are running up against the Transportation Planning Rule. In addition, the city also faces the challenge of increased background traffic. Destination resorts have basically replaced the timber industry in this area and are generally supported by local government. However, destination resorts are basically unplanned and exempted by law from transportation issues and county boundaries. There are some real concerns in Redmond about Powell Butte or Crook County because the state highway is the only highway that connects the communities together and is basically the farm-to-market road. With these issues in mind, Mayor Unger would like to see a review of the 30-year old planning rule.

Local governments, cities and counties are in a funding crisis. Measures 5 and 50 have limited the amount of money that can be brought in by property taxes, and many cities are spending reserves in order to keep up with basic services. There are few options to fund the actions needed; urban renewal, system development charges (SDC) or land sales. Smaller communities don’t have the opportunities in these areas that some of the larger communities have.

Mayor Unger’s hope is that as the 20-year plan is being developed, we look out farther in the future because 20-year plans don’t hold up in fast growing areas. We all need to

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work together and be flexible to allow job growth and develop growth solutions. As stated earlier, there are challenges with the Transportation Planning Rule (TPR) and they would like to see some of the same mobility standard flexibility for a fast growing area that is afforded to Metro.

Kirk Schueler, President, Brook Resources Corporation, Bend, Oregon expressed the same concerns. There is not enough funding to build all the improvements needed. There are certain risks and limitations in reliance on private land owners and developers for funding of significant portions of improvements. Market conditions are not favorable for SDCs and expose projects to market forces. The scale of many offsite projects is too large to make them feasible or affordable.

Oregon is facing the challenge of 1.7 million new residents by the year 2040 at the same time that revenue sources to pay for the necessary infrastructure growth to accommodate that population are foundering. From a capacity standard, we need to work both the transportation demand issue as well as system capacity. We need to continue integrating land use planning with transportation planning to minimize demand. In addition, we need to explore alternative modes and zoning issues need to be factored into planning. There is not a good mechanism in place to deal with multiple jurisdictions and cross-jurisdictional impacts.

Alternative mobility standards are part of the solution to the fact that more projects are planned than there are funds for. The framework, where alternative mobility standards are allowed, should include express commitment from the local level to provide the tools and planning for alternative modes that provide quid-pro-quo for the reduction in the alternative mobility standard.

Richard Whitman said the Big Look Task Force has meetings planned around the state during the next month and offered to meet with the Commission specifically to discuss ideas.

Clackamas County Commission Chair Lynn Peterson, Mike Montero of the Rogue Valley Area Commission on Transportation, and Rogue Valley Metropolitan Planning Commission Chair Mike Quilty, joined the panel.

Commissioner Peterson said we are trying to achieve specific outcomes, but the question is how to achieve them together in a partnership. The focus has been on corridors and not the sub-areas and the entire transportation network or land uses. There is no multi-modal standard for sub-areas or corridors. There has been discussion by Metropolitan Planning Organizations (MPOs) about planning levels of service standards but that has never crossed over to the design level of service standards. We need to examine ODOT's role in major metropolitan areas and determine who the urban service provider is and we need to look at pushing down level of service decisions into the regions or down to the county level with jurisdictional transfers.

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Commissioner Peterson noted it is also important to open up design standards. Mobility standards are hindering the entire transportation system. We are not given the opportunity to look at cost effective solutions and the range of alternatives when we only talk about corridors and not sub-areas.

Mike Montero said it will take partnerships to meet the sustainability goal for the system and will require the Land Conservation and Development Commission (LCD) and ODOT to create a framework of flexibility where capital investments can take the form of a partnership between the state, private sector and local government. If there is common ownership, a common goal and a common interest, it can be done.

The Commission noted that one of the main themes of today's comments was lack of funding and asked for ideas on raising infrastructure funding. Panelists made the following comments:

- Enlist legislative support to bring forward a plan for increased revenue.
- Sales tax dedicated to preserving the infrastructure.
- Re-examine the types of projects being done.
- Increase public understanding of their impact on the system.

The Commission asked for more specifics and clarification on Lynn Peterson's comments about level of service and mobility standards. It wants to assure these terms are being used consistently. It was clarified that this meant road standards/road construction standards and the cost differential between county roads and state highways. What standards are appropriate in which situations?

It would benefit the Commission if more planning is done at the local level before the Commission is involved and asked to make decisions on funding.



The Commission held an informational discussion with members of the Central Oregon Area Commission on Transportation (COACT). (*Background material in General Files, Salem.*)

COACT Chair and Jefferson County Commissioner Bill Bellamy said COACT has been very successful in two areas, the improved communication between ODOT and COACT and the elimination of the 'who speaks the loudest gets the funding' mentality in Central Oregon. The Central Oregon ACT has broadened its perspective to include all modes of transportation and not just the highways.

Bend City Councilor and Bend Metropolitan Planning Organization Chair Bill Friedman talked about the challenges for small cities of funding alternative modes of transportation like fixed route transit systems. There is no way to build enough highways to make the system work. On a regional level, we need to look at how to build regional connectivity that supplements the state highway system. It's also important to look at building street systems that complement county and state roads to make

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transportation through the cities work effectively. Small amounts of money dedicated to planning would result in big payoff toward a robust system that would work effectively for everyone and, in the long run, distribute transportation in the ways it should be.

Lonny Macy of the Confederated Tribes of Warm Springs distributed a paper and discussed the current project of removal and relocation of US26 from Beaver Creek. (*Background material in General Files, Salem.*)

Andrew Spreadborough of the Central Oregon Intergovernmental Council gave an update on recent transportation developments: the Bend Area Transit System (the most critical element of the regional transportation system); the coordination and expansion of transportation services outside of Bend; the establishment of inter-community routes; and the region's commitment to ongoing coordination.

Deschutes County Commissioner Dennis Luke said business and government should be partners in state roads. However, despite the good working relationship with Director Garrett and ODOT, more and more ODOT cannot pay its share of the costs. In effect, ODOT can initiate a defacto moratorium on growth without having the responsibility of having a plan or timeline to remove it. Commissioner Luke suggested that projects for which funds are available at the local level, should have a requirement to remove the moratorium so the legislature has to deal with the issue every two years.

City of LaPine Manager Christine Nelson explained some of the economic and community development problems LaPine is experiencing as a new city. Ninety percent of city residents commute out of town, and the rising cost of transportation is forcing people to move out of town. Conversely, organizations looking at bringing new jobs into the area are stalled due to improvements needed to the HWY 97 intersection, but those improvements can't be made to the infrastructure without economic development.

Crook County Commissioner Lynn Lundquist said Crook County's main issue is economic development, which is tied to the ability to commute to nearby cities. The ability to increase the capacity of HWY 26 is critical to economic development. The legislative decision to stop some projects in the planning mode took away the scoping of the corridor from Redmond to Prineville, which set Crook County back in its ability to move forward in increasing capacity on that highway. Commissioner Lundquist hopes the Commission will put the pressure on all Area Commissions on Transportation (ACTS) to help move forward a plan in the next legislative session for a gas tax to generate revenue for the infrastructure.

City of Sisters Mayor Brad Boyd discussed the concerns around destination resorts, both outside of the county and those being developed around Sisters. Without a mechanism to require resorts to mitigate impacts to the local communities, there will be significant potential impacts. Flexibility in mobility standards ties into this because many cities currently have a number of intersections that are failing or are about to fail. Development of higher usage for land that has been zoned that way will cost significant dollars to upgrade the infrastructure. This is a barrier to economic development in the

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city, yet destination resorts can go outside of the city limits and not pay anything. This encourages development that is opposed to state land use laws. It's a concern they have, both a funding mechanism to have impacts mitigated from development outside of the town, and it also limits what they can do in town. Mayor Boyd supports a higher gas tax and recommends a percentage tax, not a flat rate tax which will not keep up with inflation. We should not lose sight of the fact that there needs to be some long-term strategy planning regarding light rail.

City of Redmond Mayor Alan Unger said he supports Mayor Boyd's desire that destination resorts mitigate impacts on all the areas they affect that the local public has already paid for. He also seconds Commissioner Luke's comments on jobs versus congestion, mobility standards need to be re-examined. Mayor Unger applauded the relationships built since the inception of the COACT.

Redmond Economic Development Corporation (REDC) Manager Bud Prince talked about rail's role as a catalyst in Central Oregon's development over the last 100 years. Three years ago, Burlington Northern decided not to take on new freight service customers going to Prineville or basically anywhere else in Central Oregon. Their primary interest has now become what is termed 'hook and haul,' a 110-car train from Portland to Oakland, Los Angeles, or Chicago. As a result, Central Oregon's concern is future freight service. Will rail be available for bulk and very heavy items or will motor freight be the only method of service? REDC is working on how to utilize the Prineville Railroad to provide that service. LaPine has a major industrial park that offers rail freight service that will not be available in the future unless they can determine how to use local short-lines to make those deliveries.

COACT has received a grant from the Department of Land Conservation and Development (DLCD) to do an opportunity analysis looking at properties along the existing rail through Central Oregon that might be usable for rail freight service and a market analysis of current and future potential use. Through the grant, they are hoping to identify locations with the potential for a single terminal that could serve all of Central Oregon, or develop a way for the Prineville railroad to be operated on the existing tracks. A serious examination of long-range planning is needed or Central Oregon will find itself dependant totally on motor freight.

Madras City Administrator Mike Morgan said the property tax system in Central Oregon makes it impossible for Madras to compete in matching development cost and local responsibility to proportional cost share on road projects. This compressed price ratio inhibits land value and prevents the land from re-zoning. The current Transportation Planning Rule (TPR) is one of their biggest obstacles. The challenge is to assure ODOT has a proportional investment in transportation improvements when ODOT doesn't have the resources. One proposal is an offshoot of tax incremental financing based on state income tax, in which a zone of impact for the transportation improvement is created. An incremental increase in income tax for that zone would be dedicated to retire a bond associated with meeting ODOT's obligation for the improvements.

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ODOT Region 4 Area Manager Gary Farnsworth said they are coordinating with statewide efforts for rail planning and freight planning to assure connectivity.

State Representative Gene Whisnant discussed the accomplishments of COACT, citing the failed intersection at Terrebonne where local government, county, and ODOT staff met frequently to discuss the problem and came up with solutions that would not have been considered without the understandings and working relationship that developed out of these conversations.

Chair Achterman closed by discussing a book called, *Traffic, Why We Drive the Way We Do*, which she feels should be required reading for all who work in the transportation field. The book examines transportation in a completely different way that makes traffic engineering very interesting and discusses low cost solutions to many of the problems caused by how people drive.

Chair Achterman adjourned the workshop at 4:55 p.m.

Thursday, August 21, 2008

Chair Achterman called the meeting to order at 9:30 a.m.



Director's report highlights:

- Director Garrett discussed some of the continued benefits received from the Greenlight Program. DEQ emission testing shows that trucks pollute less and are much more efficient when they use the department's Greenlight preclearance system that allows trucks to continue down the road without pulling into ports of entry or way stations. Tests found a 36-67 percent reduction in pollutants being monitored. Motor Carrier and DEQ's completion of this data analysis provides the opportunity to finance further expansion of the Greenlight Program by selling carbon offsets.
- Motor Carrier Safety Inspectors will conduct a 72-hour engagement on Highways 97, 140, 58, 22 and 26 to monitor the trucking industry and assure trucks and drivers are safe to be on the road. Director Garrett saluted Gregg Dal Ponte and the Motor Carrier Division for moving the numbers; truck-at-fault accidents are down and Motor Carrier Division and ODOT received the Highway Safety Award for Commercial Vehicles for this type of work.
- In 1978, Oregon's slogan was *Keep Oregon Green*. Also, in 1978, a young man named Doug Tindall graduated from Oregon State University. Director Garrett said it was his honor and privilege to present Doug Tindall with his thirty year service pin for working with the Department of Transportation. The Commission congratulated Doug.



Public Comments were received from: (*Background material in General Files, Salem*)

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- Paul Dewey provided written comments expressing concerns about the impacts of destination resorts.
- Jackson County provided written comments requesting the opportunity to allow its Land Development Ordinance to mature in anticipation of receiving an application in the coming year for a destination resort. Jackson County opposes any further changes to the Oregon Destination Resort Statute that may impact the ability of a destination resort proceeding in Jackson County.
- Merry Ann Moore provided written comments urging the OTC to enact key reforms to its policies so that the true cost of road improvements and maintenance are reflected in resort mitigation plans.
- Linda Swearingen, representing Crossing Trails Resort, provided written comments and spoke regarding a proposed destination resort near Prineville and the Table Rock Resort near Gold Hill, Oregon. Transportation improvements outweigh our ability to fund them without adversely affecting economic impact and economic development. Development should pay for its proportional share of traffic impacts created by development. However, it's unfair, unrealistic, and economically unfeasible to expect development to pay the entire share of a need that currently exists in a community.
- Gene Gramzow, Developer of Crossing Trails Resort, talked about specific traffic impact issues and the need to proportionately share funding.
- State Representative Gene Whisnant made the following comments:
 - ODOT should consider the use of used recycled glass for Oregon roads and suggested Land Conservation and Development, and Economic Development should be added to the charters for Area Commissions on Transportation because it all fits together.
 - Representative Whisnant said he has attended COACT meetings and he supports this regional concept that supports not only ODOT, but helps the Legislature make its decisions on which final transportation projects to fund.
 - Representative Whisnant noted he has a very good working relationship with Region Manager Bob Bryant and Area Manager Gary Farnsworth. There have been sensitive and difficult projects in his area, but Mr. Bryant and Mr. Farnsworth have always been responsive and professional.
 - A traffic safety issue exists in Jefferson County by Crooked River Ranch. ODOT is proposing closing Wimp Way, which will eliminate the second exit out of the Crooked River Ranch community and leave only the Lower Bridge Road exit. Residents believe use of Lower Bridge Road not only increases police/fire response time, but is a safety issue as well because of the danger of entering Highway 97 where the speed limit is 55 MPH at a point where visibility is limited, and more specifically, the route school buses would be forced to take. Representative Whisnant and Representative Huffman propose establishing a workgroup composed of representatives from Crooked River homeowners, Deschutes County, Jefferson County, Redmond School District, Culver School District, Jefferson County Sheriff's Office, and ODOT to determine needs of the residents and what solutions are possible.

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The Commission considered approval of the 2009 Oregon Traffic Safety Performance Plan and proposed authorization of the Transportation Safety Division Administrator to sign necessary agreements to carry out projects in the safety program. (*Background material in General Files, Salem.*)

Oregon Transportation Safety Committee (OTSC) Chair Mark Koberstein was recognized for his 10 years of volunteer service for the Oregon Department of Transportation. Chair Koberstein announced he will leave the OTSC and that Mike Laverty has been recommended by the committee as the next chair. The committee uses three guidelines to accomplish its goals; the Oregon Transportation Plan, the Transportation Safety Action Plan, (a 10-15-year plan), and the OTSC's annual plan. The plan was briefly reviewed.

ODOT Transportation Safety Division Administrator Troy Costales asked committee members to introduce themselves and discuss the particular items within the plan they volunteered to highlight.

OTSC member Mike Laverty gave an overview on the Safe Routes to Schools Program (Page 73), which aims to increase the ability of children to walk or bicycle to school safely by decreasing the amount of traffic around schools. The goal is to increase the number of schools that have a Safe Route to Schools action plan from 30 to 60 by 2015. The Commission agreed with the plan but felt it should be even more aggressive. Not only is this an increased cause of congestion with parents driving to and from school, but it perpetuates the mentality in children that driving in an automobile is the only way to get from point A to point B. More work is needed with the Department of Education and school districts on aggressively moving forward the Safe Routes to School Program and also to start conversations with the Department of Land Conservation and Development to assure that schools are located in ways that can have safe routes to school.

OTSC member Circuit Court Judge Jerry Cooper talked about pedestrian safety (Page 41) and his experience having been hit by a large truck while using a crosswalk. The Commission suggested that more public education about pedestrian/crosswalk laws might be needed.

Transportation Safety Division Administrator Troy Costales made comments for Marian Owen who was not able to attend. Marian's area of interest is emergency medical services (Page 15). Action Plan Goal #26 covers development of an effective integrated EMS system for the State of Oregon. Current standards govern EMS issues but we need to be aggressive and move forward with new ideas and improvements. Rural ambulance systems don't generate enough money to have paid personnel, and volunteers are becoming more scarce. Unless there is some sort of intervention, rural services are going to start going out of business.

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In summary, Oregon had 46 fewer fatalities compared to the same time last year. This 16 percent reduction is one of the highest in the country and is attributed to possibly people being more cautious in their mode of travel. The challenge now is to retain this reduction as we move forward. The long-range goal is to reduce from 550 to 400 the number of fatalities by 2010. If we stay on the current path, we will achieve that goal this year, two years early.

The Commission asked about the driver education goal (Page 11) to approve through legislation by 2012 a prerequisite for completion of an ODOT approved driver education program as a licensing requirement and the committee's work on the issue. The driver's education program has been standardized so all instructors are teaching the same program and curriculum and all have the same qualifications to be eligible to receive the ODOT reimbursement. The ultimate goal by 2012 is to re-introduce the driver's education program into the Oregon education system as a mandatory program for all 15-16-year-old drivers. There is now statistical data to prove that people who take the Oregon approved driver education program have fewer fatalities than those who don't.

The Commission asked the committee how it would use additional funds if they were provided. One comment was that the funds could be used to supplement counties affected if the timber revenue education funding does not come through. Another comment was that it is a toss-up between EMS services and education.

Commissioner Lohman moved to approve both actions of this item. The motion passed.



Central Services Division Deputy Director Lorna Youngs requested approval to appear before the September Legislative Emergency Board to seek an increase in the amount of \$600,000 in other funds limitation for the Amtrak Cascades rail service. (*Background material in General Files, Salem.*)

Deputy Director Youngs said the increase is primarily due to the increase in fuel costs, which will be approximately \$1.2 million for the Federal Fiscal Year 2009. However, the division has accumulated savings in other areas, so the need is only \$600,000 of additional limitation to finish the biennium. The revenue source is funds from custom plate surcharges. Lorna and State Rail Planner Bob Melbo reviewed a handout prepared by the Rail Division that discussed the continuing problem of passenger rail systems in Oregon.

Commissioner Wilson moved to approve this item. The motion was unanimously approved.



Southwest Oregon Region Manager Paul Mather requested approval to commit \$935,000 in Transportation Enhancement Discretionary funds to construct an under-

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crossing for the Rogue River Greenway Trail in conjunction with the Highway 140 Freight Extension-White City project in Jackson County, and approval of an amendment to the 2008-2011 Statewide Transportation Improvement Program. *(Background material in General Files, Salem.)*

Commissioner Brown moved to approve this item. The motion was unanimously approved.



Deputy Director for Highways Doug Tindall gave a presentation on project delivery in the Highway Division. *(Background material and PowerPoint presentation in General Files, Salem.)*

Deputy Director Tindall said the goal is to identify strategies to improve the project delivery process, extend the learning from OTIA to the entire STIP Program and look for ways to deliver another large program when funding comes from legislature and congress. This encompasses five areas; planning, design, design acceptance, bid and award, and construction management.

The Commission said it would be helpful to break out the percentage of project costs for each phase on an average and why there might be differentials so they would know where the major costs are when looking at project delivery improvements.



The Commission received an update from City of Bend staff on the North End Transportation Study and Juniper Ridge. *(Background material and PowerPoint presentations in General Files, Salem.)*

At the May OTC meeting, the Commission requested more information on the timing of proposed north end transportation improvements and the strategies for financing them. Region 4 Manager Bob Bryant gave a brief overview.

Bend City Manager Eric King introduced Economic Director John Russell, and Transportation Planning Manager Nick Arnis.

Mr. King said they would like to present a possible solution to the challenge of trying to balance local economic and transportation needs during a difficult funding climate. They considered the following objectives when coming up with the proposed agreement:

- Allow for a limited amount of employment land to be developed in the north end of Bend.
- Minimize the impacts to an already congested HWY 97.
- Remove trips off the state highway system to utilize the full transportation demand management approach.
- Build a sustainable partnership with ODOT, in the short and long term.

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- Address the urgency of the city's employment land shortage.
- Implement a funding stream that provides a nexus between the intensity of the development and the actual impact and cost of the system via local impact fee.
- Be a model for good public policy that exemplifies the creativity and innovation needed to solve our transportation problems.

John Russell talked about the context of the agreement and the Juniper Ridge vision for a sustainable mixed use, mixed income community that meets a jobs/housing balance, provides affordable housing choices and reduces vehicle miles traveled. Its initial focus is employment.

Eric King discussed the concepts of the agreement. When crafting the agreement, consideration was given to the fact that the intersection of HWY 97 and Cooley Road exceeds ODOT's volume-to-capacity standard. The preliminary estimates for a long-term fix to HWY 97 are nearing \$300 million with no funding strategy in sight. So the concept of this agreement is to begin raising a local contribution of \$50 million through a combination of a PM peak impact fee, which would be generated by proceeds from land sales at Juniper Ridge, and financing through the local urban renewal district. In exchange for this funding commitment, the City asks that ODOT not object to the city's re-zoning and development approval of 150 acres of employment land to light industrial. Without any marketing plan, the city has already received letters of interest from eight companies. The Commission said a mechanism would need to be put in place to monitor modifications to the impact fee should peak hours change down the road.

Nick Arnis discussed a Northeast Bend Transportation Study on mitigating HWY 97 congestion. The study goals were to ensure a high level of coordination between interrelated projects; investigate potential for local system improvements and strategies to complement regional improvements; define shared policies for access and street design to guide planning of facilities that may transfer in the future; and to prioritize the most promising improvements. The general conclusions of the study show that successful strategies in shifting local traffic from state highways are usually achieved by combining highway and non-highway strategies, and not by a single project. The four most promising strategies they found:

- Transportation demand management (TDM).
- Enhance city roadways that connect to and parallel the highways, particularly a north-south corridor.
- Provide east-west crossing of the highways.
- Providing strategic highway connections.

The Commission noted that continuing this dialogue is very important toward the goal of economic vitality and livability of Central Oregon. At the same time, the Commission needs to balance that with its fiduciary responsibility to ensure the state highways meet the needs of citizens.

The overarching topic of conversation for this informational session has been to determine if the conversations the City has been having with ODOT staff are on the

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right track and in line with the general direction of the Commission. The Commission basically agrees with the City's objectives and principles and the way it has defined its strategic direction. It is important that communities have employment lands and it is important to look at the utility of the various parts of the city street systems and county road systems because everything has to work together as a system in order to have the kind of economy and quality of life we want for Oregon. On these issues there is complete agreement.

The Commission said there are questions and concerns when it comes to the intergovernmental agreement. The phases and the staging are very important because neither local government nor ODOT has the funds to do the transportation improvements so we need to start somewhere. If ODOT is going to forego the traffic impact analysis before re-zoning the parcels in Phase 1, the Commission is going to have to have a good understanding of what the impacts of development of Phase 1 land is going to be on the system and that there would be a sufficient revenue flow to avoid further deterioration of the existing function of HWY 97. Or, if we are going to accept a short-term deterioration, what will the term be? The timing of the cash flow versus the impact is a critical issue that needs to be addressed in the intergovernmental agreement.

Another critical issue that needs to be addressed is clarification on what is meant by the "North Corridor Project." The geography has been defined, but not what the project entails. Are these projects on the local system, projects on the state system, or TDM-type solutions which aren't projects at all? We want to make the most cost effective investment to solve the problem, which may not involve a project.

One of the things the Commission will want to know before going forward is the City's progress on its regional transportation plan. There is no state approved regional transportation plan that provides the framework for the Commission, the Department of Land Conservation and Development, and other local jurisdictions to assess how operational TDM solutions fit into the development of a regional public transit system.

The term "transportation recovery district" is used in the agreement. Clarification is needed on the definition and/or scope of that term.



The Commission considered approval of items on the Consent Calendar. (*Background material in General Files, Salem.*)

1. Approve the minutes of the July 16, 2008, Commission meeting in Salem.
2. Confirm the next two Commission meeting dates.
 - Wednesday, September 10, 2008, in Salem.
 - Tuesday and Wednesday, October 21 and 22, 2008, annual workshop and meeting in Gleneden Beach.

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3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.

4. Approve the following Oregon Administrative Rules:

a.	Amendment of OAR 734-020-0147 relating to disabled or abandoned vehicles.
b.	Adoption of OAR 734, Division 58 relating to pedestrian activity permits.
c.	Amendment of OAR 735-032-0030 relating to display of temporary registration permits.
d.	Amendment of OAR 735-062-0050 relating to eyesight check standards.
e.	Temporary adoption of OAR 735-070-0043 relating to the definition of a "valid" commercial driver license.

5. Approve a Type A Immediate Opportunity Fund grant in the amount of \$320,371 to the Port of Morrow for construction of Lewis and Clark Drive, at the Port.

6. Approve a request to appear before the Interim Joint Committee on Ways and Means or Emergency Board in September 2008 to present a status report on the multimodal study as directed by House Bill 5047.

7. Approve an increase in construction authorization in the amount of \$615,000, on the U.S. 199 at Laurel Road (Cave Junction) project in Josephine County. This will change the construction authorization from \$5,496,705 to \$6,111,705.

8. Approve an amendment to the 2008-2011 Statewide Transportation Improvement Program to cancel the Oregon 153 and Oregon 154: Salmon River Highway to Salem-Dayton Highway chip seal pavement preservation project in the amount of \$361,321 in Yamhill County.

9. Approve a request to appear before the September 2008 Legislative Emergency Board to seek retroactive approval to apply for a Federal Highway Administration Innovative Bridge Research and Deployment Program grant in the amount of \$1,040,000.

Commissioner Wilson moved to approve the Consent Calendar. The motion passed.



Central Oregon Region Project Manager Jon Heacock gave a brief update on the U.S. 97: Bend North Corridor Project. (*Background material and PowerPoint presentation in General Files, Salem.*)

Bob Bryant reviewed the project area with the Commission.

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Mr. Heacock gave an overview of several alternatives for a new alignment of U.S 97 with U.S. 20 and the local street network on the north end of Bend.

Public comments about this agenda item were received from:

- Jim Bruce of Bend (*Written comments in General Files, Salem*) expressed his objection to the re-zoning of Juniper Ridge without consideration to normal standards and criteria being met.
- Jeremy Green, on behalf of Neil Bryant with Bryant, Lovlien and Jarvis, PC (*Written comments in General Files, Salem*) said their office represents SIMA Corporation, which orchestrated the development of the Cascade Village Shopping Center (formerly, the Mountain View Mall). SIMA's general concerns are that the alternatives presented benefit regional through traffic, but adversely affect local circulation and access. The alternatives compromise or eliminate critically important direct and convenient vehicular access provided by Robal Road, Highway 97 and other adjacent streets. The alternatives will require businesses located west of Highway 97 to make significant and costly modifications to their existing facilities and operations. This disruption or elimination of access will be extremely costly and will adversely impact land values, jobs and the area's economic vitality. SIMA requests that the Commission consider the impact that each alternative will have on local businesses in the community when reviewing and evaluating the remaining alternatives. SIMA supports enhanced versions of ODOT's western alignment and railroad (eastern) alignment.
- Seth King with Perkins Coie LLP and Affiliates (*Written comments only in General Files, Salem*)

The Commission thanked those who provided comments today. The complexity of this problem makes it important to have regular discussion to avoid misunderstandings and to give guidance to ODOT staff as they continue working with communities to develop a preferred alternative. When looking at issues statewide, we need to avoid going through the Environmental Impact Statement process, and getting a Record of Decision for a project that we just can't afford. Although we will petition the Legislature for a funding package, we need to work very closely with our local partners because solving some of the problems might be less expensive by building out the local street system than by making changes to Highway 20 or Highway 97.



Public comments continued.

- Deschutes County Commissioner and COACT Vice Chair Dennis Luke discussed the proposed Redmond Southern Reroute Funding Partnership. Deschutes County and the City of Redmond are committed to contributing approximately 30 percent (\$70 million) of the cost of the southern reroute. Deschutes County and the City of Redmond would like to continue to work with local staff and come back to the Commission again in a couple of months with a progress update. The Commission said it's imperative to have this conversation about the south Redmond track and the

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southern reroute so it can be put in context with the North Bend, Highway 97 discussion.

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Chair Achterman adjourned the meeting at 2:25 p.m.

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<hr/> Gail Achterman, Chairman	<hr/> Was not present. Michael Nelson, Vice Chair
<hr/> Janice Wilson, Member	<hr/> Alan Brown, Member
<hr/> David Lohman, Member	<hr/> Roxanne Van Hess, Commission Support