

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
February 16, 2011
Salem**

On Wednesday, February 16, 2011, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a briefing session, and reviewed the agenda in the Small Hearing Room of the Public Utility Commission Building, 550 Capitol Street N.E., Salem, Oregon. The regular monthly meeting began at 9:00 a.m. in the Main Hearing Room.

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	Region 1 Manager Jason Tell
Commissioner Mary Olson	Access Management Manager Bob Bryant
Commissioner Dave Lohman	Public Transit Division Administrator Michael Ward
Director Matthew Garrett	Senior Federal Affairs Advisor Travis Brouwer
Chief of Staff Joan Plank	Rail Division Administrator Kelly Taylor
Interim Deputy Director Operations Jerri Bohard	Int. Trans. Develop. Administrator Barbara Fraser
Communication Div. Administrator Patrick Cooney	Commission Assistant Amy Merckling
Highway Division Administrator Paul Mather	

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Chair Achterman called the meeting to order at 9:00 a.m.

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Director's Report highlights:

-- The Commission recently received a copy of the State of the System 2010 Report on Oregon's Transportation System. This is the second edition. The first report was done in 2008. This report captures the robustness and the comprehensive nature of the transportation system for the State of Oregon. Oregon's transportation system is a multibillion dollar collection of public and private assets that facilitates the safe and efficient movement of people and goods into, out of, and around the state. The biennial State of the System report provides information on the transportation system, and progress made in implementing the Oregon Transportation Plan.

-- Director Garrett presented the ODOT Partner in Innovation Award to Haney Truck Line. Director of Operations Roger Bell, and Terminal Manager Ian Ziebel accepted the ODOT Partner in Innovation plaque which read, "In appreciation to Haney Truck Line for its collaboration in the successful pilot demonstration of TRUE — Truck Road Use Electronics."

Haney Truck Line is a Washington-based general commodity carrier, with more than 1,300 registered vehicles providing service to customers in Oregon, Washington, Idaho, California, Montana, Wyoming, Utah, Nevada, British Columbia, and Alberta. Since late 2009, Haney staff at its Portland terminal has worked with the Motor Carrier Transportation Division to test a device called TRUE -- Truck Road Use Electronics. TRUE uses a modified smartphone and GPS to record the miles a truck travels in Oregon, and automatically generates a weight-mile tax report. The process replaces recordkeeping paperwork, while ensuring the greatest accuracy for road-use reporting.

Haney helped ODOT complete a successful pilot test of the device in February of last year, and a successful end-to-end test in November. In December, Haney submitted the first paperless, fully-automated weight-mile tax report and payment for truck road use in Oregon. This is the first time in history that a company operated trucks without paper records, and then electronically received and paid a billing for its metered use of the Oregon highway system.

Director Garrett asked Roger Bell to pass along his thanks to Haney President and CEO Michael Richardson, Chief Operation Officer David Richardson, and all Haney staff for the help testing this innovation. He said, "Like the pioneers who took to the Oregon Trail to explore and develop the West, you show a modern pioneering spirit by joining us on new trails to explore and develop this technology."



Public comments were received from:

--President and CEO of Plaid Pantries, Inc. Chris Girard spoke in favor of addressing traffic congestion on the I-5 system, but also expressed concerns about any project that costs \$10 billion dollars. Written testimony was provided that focuses on other shortcomings of the CRC project as currently proposed. Mr. Girard requested an independent financial review that will identify potential funding problems.



The Commission considered approval of the updated federal authorization earmark request presented to Oregon's congressional delegation. (Background materials in General Files, Salem)

In anticipation of a potential call for projects for the U.S. Senate, Senior Federal Affairs Advisor Travis Brouwer asked the Commission to consider proposed modification of the earmark request list.

Two projects have been fully funded and would be removed from the list, the Interstate 5, Fern Valley Interchange project, and the U.S. 26 Safety Improvements project. The

Interstate 5/Interstate 205 Interchange project is going to bid this spring, so a congressional earmark would not arrive in time to fund the project. However, the project is nearly fully funded through the JTA.

Based on input from stakeholders, two projects would be added to the list. The modification is based on the policy adopted by the Commission in 2009, which laid out the criteria to be used, (strategic investment, meets STIP criteria, support, readiness, and funding) in order to select recommendations to Congress.

Chair Achterman asked for the status of the policy report done on reauthorization, and if we have revisited our reauthorization policy statements. Travis responded that a number of policy papers have been updated in light of new developments. For example, two years ago, an infrastructure bank was not on the table like it is now with the support of Congress and the president.

Chair Achterman suggested the policy statement book be sent to Commissioner Olson to review, and asked that Travis be on the agenda for next month's meeting to give an update on the trip he and Chair Achterman will take to Washington, D.C. in March.

FHWA Division Administrator Phillip Ditzler spoke briefly on the federal government's position on the reauthorization, which he feels is very positive. The Department of Transportation has a piece in the federal budget that FHWA is using as framework for reauthorization. The federal budget, which came out this past Monday, is very ambitious with a 50 percent increase to highway funding, and builds upon the confidence instilled on Capitol Hill with the delivery of ARRA funds through which DOTs across the nation proved their ability to stimulate the economy.

Administrator Ditzler said that, while this is an opportunity, funding on the revenue side will be very much a challenge. The president has indicated that he will work with Congress to identify the revenues for the funding levels being proposed, but it's wait-and-see how that funding will be resolved. In the current proposal, money is set aside to fund pilot work with regard to vehicle mile tax.

Administrator Ditzler added that, during this past week, Oregon was recognized as one of the top states for delivering the Recovery Act. Considering our economic times, this is a huge testament to the hard work of the Oregon Department of Transportation.

Commissioner Olson moved to approve the updated federal authorization earmark request. Commission members unanimously approved the motion.



The Commission received a status report on the work of the Access Management Committee from Access Management Manager Bob Bryant. (Background materials in General Files, Salem)

Oregon statute ORS.374 provides the legal constructs of how ODOT manages and permits access to state highways. The current administrative rules to manage access were revised and adopted in 2000. ODOT's focus on managing access in the last decade has been on the highways, recognizing the importance of balancing access management with our responsibility to help facilitate urban growth and economic opportunities within the community.

The 2010 Legislative Session (Senate Bill 1024) directed ODOT to work with stakeholders to develop proposed legislation that would codify, clarify, and bring consistency to the issuance of access permits based on objective standards. ODOT has been working with a stakeholder group of about 25 people, including representatives from the legislature, house and senate members, developers, homebuilders, retailers, traffic engineering consultants, representatives from AAA, the Association of Oregon Counties, the League of Oregon Cities, and others.

Specific provisions included in the bill:

- public approaches would not require an 'approach' permit
- increase (double) the threshold that triggers a 'change in use' condition that requires owner to reapply for an approach permit
- establish access management rules with less stringent standards for mitigation measures, and spacing/mobility standards, for low-volume highways - those with less than 5000 average daily trips

The stakeholder group has determined five focus areas: change of use; reasonable access; access management standards; mitigation requirements; and medians.

Senate Bill 1024 also required ODOT to provide a report to the Legislative Assembly, before January 2011, which includes a description of the proposed legislation developed, and summarizes the Access Management Committee's work to date. Highlights of the legislative report included the work accomplished to meet the 'change in use' provision of the bill, and the work done on the access management rules themselves to meet that provision of the bill, which requires less stringent standards for low-volume highways. Bob explained the analysis, process, and criteria used to develop changes to the administrative rules to meet the provisions of the bill.

The stakeholder committee is currently active with the development of objective standards, draft legislation to meet provisions for rewrite of administrative rules, and developing a work plan for the path to move forward.



Highway Division Administrator Paul Mather, and Region 1 Manager Jason Tell gave an informational update on the Oregon 43 jurisdictional transfer discussions with local governments in Region 1. (Background materials in General Files, Salem)

In follow-up to the October OTC workshop, recent discussions have raised the question about whether it makes sense for a statewide agency to manage some district/regional highways that have been identified in communities of 5,000 or greater population.

Jason Tell gave an update on conversations with local governments around a possible transfer of State Highway 43 to local jurisdictions. Over the past several years, local governments have increasingly voiced interest in taking over Oregon 43. The function of Oregon 43 is changing from its origin as a farm-to-market road, to a new role as a multimodal facility serving local community needs.

From ODOT's perspective, Oregon 43 is not a freight route, and is a low priority for funding. A jurisdictional transfer would free up maintenance resources that could be applied to other, higher priorities. Last December, a proposal was made for a three-part transfer of portions of Oregon 43 to Portland, Multnomah County, and Clackamas County. The concept is for three agreements, one for each of the jurisdictions, with the entire transfer done at one time. Funds to the separate jurisdictions would be made available at that time. The City of Portland and Clackamas County have both sent letters of support for the concept.

Chair Achterman said that as we enter into negotiations with local governments, we need to think about funding. Advancing the local governments the preservation money we would otherwise have spent, doesn't pencil well for ODOT in light of our overall revenue picture. Also, as we embark on this series of conversations with local officials, it might be useful to have a brainstorming session with our legal counsel, and perhaps local government legal counsel, to talk about transferring operation and governance of the road, without an actual transfer of ownership. ODOT wouldn't pay any money or transfer the asset, but it wouldn't manage the road either. What kind of inter-governmental agreement could be made so ODOT is not making access decisions?



The Commission considered approval of a list of project recommendations for the Flexible Fund Program. The only modifications to the list are changing the amount of the TriMet recommended funding to the maximum \$2.1 million, and the removal of the McLoughlin Blvd. sidewalk project. (Background materials in General Files, Salem)

Transit Division Administrator Michael Ward reported back on a directive from the Commission at the January OTC meeting to get feedback from the Flexible Funds Advisory Committee in response to commission questions regarding the selection process and the project list. The Advisory Committee met on February 4, 2011, and the focus of the discussion was largely around the interrelated issues of financing options for the Milwaukie Light Rail Project and the impacts of those options on the overall makeup of the project list.

Interim Planning Section Manager Erik Havig addressed some of the other questions the Commission posed at the January meeting. The committee came to a very strong consensus on some of the questions. These are clearly identified below. For the others, they did not have time to discuss in great detail, but the general themes and directions are captured.

- Rollover of projects to the next cycle: The committee consensus was to not support rolling projects from this cycle to be automatically funded in the next cycle. The committee strongly believed that projects would need to compete for the funds each cycle.
- Reallocation of funds if projects are delayed: The committee consensus was that for this first round of funding any left over funds from savings or cancelled projects should not go to the next tier priority projects because the next funding cycle is so close. There was also support that savings from this cycle be made available to support the TriMet project and thereby reduce the commitment from the next cycle. For future cycles there was general discussion that the next priority projects should be funded when savings or cancellations occur, but the group recognized more work needed to be done to describe the methodology. However, this would not be an issue until between the second cycle and the third cycle of the grant process.
- Multi year funding commitment: The committee did not reach consensus on this point. Some believed that the program should limit proposed projects to one funding cycle. However, there was some support to allow an exception if a significant opportunity presented itself that had significant statewide and regional benefits. In these circumstances the committee believed the OTC could make an exception. However, even under this circumstance most members believed it should be limited to only two consecutive funding cycles. One concept proposed was an “emergency” provision, but this was not defined.
- Local funding for projects: The committee strongly expressed its view that local funding for projects was not an option. Local governments do not have the funding to accomplish these types of projects.
- Addition of bonus points for specific areas of focus (safety, economic development and senior and disabled transportation): The committee generally did not support the concept of having bonus points for these specific areas. Members generally supported incorporating them into the criteria for the program and application evaluation. They recognized this could be part of re-evaluating the criteria for the second cycle.
- The 10-percent limit (maximum) for project funding: The committee generally did not support changing the limit. Most members believed this to be a reasonable level and helped keep large projects and entities from encumbering all or a majority of the funding available. However, the discussion was limited.

Deputy Director for Operations Bohard said the next steps for the committee will be to meet as least twice to finalize the criteria for the next round of projects. The department expects that the next meeting will be in approximately one month. The committee will consider lessons learned, and revisit the criteria in preparation for the second application cycle. The new criteria will come to the commission for its approval. Once that effort is completed, the committee would begin to develop the evaluation criteria and then review and evaluate other ODOT non-highway programs, bringing forward any recommendations to the OTC on those issues. This would likely occur in late summer or early fall. The tentative schedule anticipates public testimony before the OTC on the second cycle of Flexible Funds Program projects, to take place in February 2012.

Public comment was received from:

--Cascade Policy Institute President and CEO John A. Charles, Jr. spoke (and provided written testimony) against the Milwaukie light rail project, and asked that the OTC reject any funding for the project, which he feels is expensive and unnecessary.

--Lane Transit District General Manager and Oregon Transit Association (OTA) President Mark Pangborn said OTA agreed with the list of projects proposed by staff, and supports the Milwaukie light rail initiative. He also noted the value of this program and the significant improvement to funding opportunities to local governments to begin to put together pieces for which there have not been local funds in the past. He agreed with Commissioner Olson's comment that the Advisory Committee is a high-functioning advisory committee, who are all committed to making this work. He urged the commission to work diligently with ODOT to expand this pot of money in the future.

--Written testimony was received from Bicycle Transportation Alliance Executive Director Rob Sadowsky expressing concern about funding of the Milwaukie Light Rail Project. While he agrees it is a vital project and important for the future success of mobility in the region, he strongly urges the state to look for other sources of funding for the project out of concern about parity of funding, protecting the intent and goals of the Flex Funds, and building the general capacity of communities to meet the needs of their projects.

--Written testimony was received from Alta Planning + Design Planner Jessica Roberts, who spoke in support of increasing funding for transit.

--Written testimony was received from Gary Brannon (private citizen), who requested the OTC reconsider funding of the Historic Columbia River Highway project.

--Tri-Met Executive Director of Government Affairs Olivia Clark spoke about Tri-Met's plan to replace 250 buses in the next five years, 40-50 buses per year. The plan is to use federal or general funds, and not state funds.

Commissioner Lohman noted that many of the projects on the proposed list are the most visible projects, at the expense of the less visible projects. As we go forward, we need to take care and not get trapped in a thinking that picks projects the public knows best and appreciates most, as opposed to projects that really contribute to the system most effectively. Michael Ward responded that this was an issue the committee had struggled with, and is an issue the committee plans to bring back to the OTC for direction.

Chair Achterman said we need to take a hard look at funding cycle dates for non-highway funds, and give real attention to breaking funding silos down and maximize the utility of the funds we have. Deputy Director for Operations Jerri Bohard said this conversation has just started. She also noted that a meeting was scheduled for April 5, 2011, to discuss lessons learned, and start the conversation around criteria again.

Commissioner Olson moved to approve the list of projects recommended for the Flexible Funds Program with the list dated February 8, 2011. Commission members unanimously approved the motion.



The Commission considered approval of the Consent Calendar. (Background materials in General Files, Salem)

1. Approve minutes from the January 19, 2011, meeting in Salem.
2. Confirm the next two Commission meeting dates:
 - Wednesday, March 16, 2011, in Salem
 - Wednesday, April 20, 2011, in Salem
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 735-062-0016 and 735-070-0004 relating to suspensions for fraud.
 - b. Adoption of 737-100-0010 and 0040 and the amendment and renumbering of 737-100-0030 relating to emergency vehicle designation.
 - c. Amendment of 740-200-0010, 0020 and 0040 relating to the readoption of IRP, HVUT and IFTA regulations.
5. Approve an increase in project authorization in the amount of \$519,780 on the U.S. 26: East Fork Dairy Creek – McKay Creek in Washington County. This will change the project authorization from \$5,403,203 to \$5,922,983.

6. Approve an amendment to the 2010-2013 Statewide Transportation Improvement Program to change the scope for the Oregon 422: Williamson River Bridge in Klamath County. This change in scope will add \$2,162,000 to the project estimate being funded from savings from low bids received on the Dennis Edwards Tunnel project in Washington County. The estimated new project total is \$3,529,000.
7. Approve an amendment to the 2010-2013 Statewide Transportation Improvement Program to add the Oregon 126B (Main Street) Pedestrian Improvement project in Springfield. The total estimated project cost is \$1,000,000.
8. Approve an amendment to the 2010-2013 Statewide Transportation Improvement Program to add two preservation projects in Region 2:
 - Oregon 58: Eagle Creek – Salt Creek Tunnel in Lane County. Total estimated project cost is \$3,500,000.
 - U.S. 101: Arch Cape Tunnel – North Manzanita in Tillamook County. Total estimated project cost is \$4,400,000.
9. Receive the Testing for Revenue Neutrality of Flat Fee Firms in Oregon (2009) Final Report, and authorize the director to recommend to the Oregon Legislative Assembly that no adjustments are deemed necessary to existing alternative monthly flat fee rates for weight mile tax.

Commissioner Olson moved to approve the Consent Calendar. Commission members unanimously approved the motion.

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Public comments. None.

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Chair Achterman adjourned the meeting at 12.01 p.m.

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Gail Achterman, Chairman	Michael Nelson, Vice Chair

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Mary Olson, Member	Alan Brown, Member

David Lohman, Member

Roxanne Van Hess, Commission Support