OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting
July 16-17, 2015
Hillsboro, Oregon

On Thursday, July 16, 2015, at 8:30 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a premeeting briefing session in Room 207 of the Hillsboro Civic Center, 150 E. Main Street, Hillsboro, Oregon. The annual workshop and formal monthly meeting began at 10:00 a.m. at the Hillsboro Civic Center.

That evening at 5:00 p.m., the OTC and ODOT staff held a no-host dinner with members of the Region 1 Area Commission on Transportation in the Piazza Room at the Venetian Theatre and Bistro at 253 E. Main Street, Hillsboro.

On Friday, July 17, 2015, at 8:30 a.m., The OTC and ODOT staff took a shuttle and participated in a tour and briefing about the U.S. 26 - Brookwood Interchange and the economic impacts. The formal monthly meeting began at 10:00 a.m.at the Hillsboro Civic Center.

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 Tammy Baney
Commissioner Dave Lohman
Commissioner Susan Morgan
Commissioner Alando Simpson
Commissioner Sean O'Hollaren
Director Matthew Garrett
Asst. Director for Public Affairs Travis Brouwer
Deputy Director Central Services Clyde Saiki
Trans. Development Div. Admin. Jerri Bohard
Highway Division Administrator Paul Mather
Trans. Safety Division Admin. Troy Costales
DMV Division Administrator Tom McClellan
Rail and Public Transit Div. Admin. Hal Gard
Communications Section Manager Tom Fuller
Region 1 Manager Rian Windsheimer
Region 2 Manager Sonny Chickering
Statewide Maintenance Engineer Luci Moore
Commission Assistant Jacque Carlisle

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Highlights of the premeeting briefing session and agenda review were:

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ODOT Director Matt Garrett led the Commission through a review of the agenda.

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Director Garrett explained background on the partnership between Oregon Travel Experience (OTE) and ODOT on rest area management, including finances and the lawsuit related to driver record fees that provide much of the revenue ODOT transfers to OTE for rest areas.

Commissioner Lohman, who also serves on the Oregon Travel Information Council, explained OTE's mission and programs. Lohman indicated that rest areas have significant deferred maintenance needs. Commissioner O'Hollaren asked whether ODOT and OTE have explored private funding opportunities. Lohman explained that while OTE is interested in private funding, they have been frustrated at the inability of the two agencies to come up with any agreement in this area. Director Garrett indicated that ODOT needs to see a vision or proposal for private sponsorships from OTE, while Lohman indicated OTE feels that they don't have enough information from ODOT to provide such a proposal. Director Garrett expressed his commitment to improving the relationship between the two agencies, and Lohman indicated that OTE feels that the relationship has improved. Chair Baney indicated she wants to work with OTE on partnerships with Travel Oregon.

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Director Garrett and the commission discussed the agenda item related to the 2018-2021 Statewide Transportation Improvement Program. Chair Baney asked what role the ACTs would have in recommending projects. ODOT Highway Division Administrator Paul Mather explained that the ACTs will be involved in making recommendations on projects, but each will do this in a slightly different way in the two leveraged fund programs. Commissioner Morgan asked whether the ACTs have been engaged on this topic throughout the commission's process of making decisions on the STIP, and ODOT staff explained that the region staff have been keeping the ACTs informed with regular updates and providing feedback. Commission Lohman indicated he heard from RVACT that it can be very difficult to iron out priorities at the region level between multiple ACTs. Chair Baney suggested engaging ACT chairs on this topic when they come before the commission in November.

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Thursday, July 16

Chair Baney called the meeting to order at 10:20 a.m.

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Workshop Item 1

The commission received an informational presentation from Oregon Travel Experience (OTE) and Oregon Department of Transportation (ODOT) staff about OTE's services and performance, and its strategic plan for rest areas, along with information on the collection of fees designated to support OTE's responsibility to manage, maintain, improve and develop certain rest areas in Oregon. Oregon Travel Experience Executive Director Nancy DeSouza, ODOT Assistant Director Travis Brouwer, and ODOT Highway Division Administrator Paul

Mather gave the presentation. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
In 2009, the Travel Information Council (OTIC) initiated a legislative concept in which the OTIC would take over maintenance and operation of select ODOT rest areas. That concept was included by the 2009 Oregon Legislature in the Jobs and Transportation Act (HB 2001).

House Bill 2001 directed that effective January 1, 2010, OTIC would take over maintenance and operation of seven ODOT rest areas, as well as others mutually agreed upon for a total amount of $3 million per year. The Travel Information Council agreed to take over two additional sites (Manzanita NB and Boardman WB) since these facilities are directly connected to those listed in HB 2001.

In 2012, the Oregon Legislature approved Senate Bill 1591 which modified OTIC's rest area responsibility described in HB 2001 from the 2009 Oregon Legislative Session by adding rest areas and increasing funding. In 2012, four rest areas were added to those listed in HB 2001 for a total of $3,457,000 per year. In 2013, nine more rest areas were added for a total of $4,960,000 per year and another six were added in 2014 increasing OTIC's responsibility 26 rest area sites for a total of $6,550,000 per year.

The funding for OTIC's rest area maintenance and operations comes from revenue generated by the sale of driver records through the E-Government Portal. Under an interagency agreement with the Department of Administrative Services (DAS) to furnish Oregon driver records by online methods, DAS pays ODOT for an exclusive license to distribute these records electronically, based upon a market analysis of fees charged by other state motor vehicle agencies. The rate, as of July 1, 2015, includes a cost recovery fee of $2.00 and a "fair value" amount of $4.55 per record. The "fair value" amount was designated by the legislature for the OTIC payments. If those funds were not fully realized, the OTC was authorized to adjust the funding as well as OTIC's rest area responsibility.

In mid-2013, ODOT realized that driver record fee revenue was falling short of the Legislature's projection by about 40 percent and would not be adequate to meet the $6,550,000 obligation from SB 1591, which was due to OTIC on January 2, 2014. ODOT began conversations with OTIC on how to make the necessary adjustments.

At its December 2013 meeting, the OTC took action that delayed the implementation of the third phase of SB 1591 until March 1, 2014 and provided funding in addition to what was actually available from the OTIC portion of the driver record fee to temporarily bridge the gap to provide time for OTIC to secure alternate funding.

Effective March 1, 2014, OTIC assumed maintenance and operation of nine additional rest area sites. By agreement, ODOT provided funds in the amount of $4,960,000 annually on January 2 from the driver record fee plus an additional one-time $1,590,000 on March 1, 2014, and an additional one-time $1,590,000 on January 2, 2015. Also as part of the agreement, ODOT and OTIC committed to work together on new funding during the legislative session to fund rest areas.

The driver record fee revenue continues to fall short of legislative projections by about 40 percent. OTIC indicated that alternate funding is not available to provide the service level necessary to meet its business model. ODOT and OTIC are working on how to again make adjustments. ODOT is engaged in on-going discussions with OTIC about rest area finances and will make a recommendation to the OTC in September regarding action to address this shortfall so that OTIC can finalize its budget for 2016 and beyond.

OTC Members and Oregon Travel Information Council Members include:

Tammy Baney, OTIC Chair, OTC Chair
Gwenn Baldwin, OTIC Chair, government relations
Bob Russell, OTIC Vice-Chair, VP Oregon Trucking
Kathy Watson, OTIC, retired chef/restaurant owner
Ed Washington, OTIC, Portland State University, Metro Council
Charlotte Lehan, OTIC, State Heritage Tree Board, former mayor of Wilsonville
Mike Drennan, OTIC, banking executive
Dave Lohman, OTC member
Susan Morgan, OTC member
Alando Simpson, OTC member
Sean O'Hollaren, OTC member

Presentation:

The presentation on the Oregon Travel Experience (OTE) was given by OTIC Executive Director Nancy DeSouza, OTE Chief Operating Officer Tim Pickett and ODOT staff. (Matt Garrett, Paul Mather, Travis Brouwer) Highlights of the presentation were:

- Nancy DeSouza gave a brief history of OTE's operations of rest areas in Oregon, starting in 2006 with Governor Kulongoski's creation of the Transportation and Tourism Task Force which identified rest areas as a key component of the state's transportation system. The task force recommended uniform management of rest areas and OTE agreed to take on the active management of rest areas. Additional legislation in 2009 and 2012 further defined OTE's responsibilities to manage, maintain, improve and develop select rest areas and ODOT's funding responsibilities.
- Paul Mather gave a brief history of the 36 rest areas in Oregon.
- Travis Brouwer discussed funding for maintaining the rest areas, which comes from revenue generated by the sale of driver records through the E-Government Portal. That driver record fee revenue has fallen short of the Legislative Fiscal Office's projection by about 40 percent, or $1.35 million, and shows signs of staying flat or decreasing more over time. The shortfall has been covered by other Highway Fund sources that might otherwise go to roads. Senate Bill 1591 provides that the OTC can reduce the amount of money and scope of rest areas managed by OTE if driver record fees do not meet expectations.
- Nancy DeSouza talked about OTE's operating model for the rest areas. The main goal is to provide a safe place for drivers and truckers to rest. OTE staff rest areas for 8 hours a day and have kiosks to provide information, in addition to keeping rest areas clean, maintained, responding to traveler inquiries or needs for assistance and working with local law enforcement when necessary.
- DeSouza gave the commission a report with 6 months' worth of customer comments following a request from the Secretary of State's Office to start tracking performance. The comments were overwhelmingly positive.

- Visitor counts in rest areas have increased by 8.26 percent in the past 5 years, with 22.4 million visitors to OTE managed rest areas the past fiscal year.
- DeSouza talked about OTE's strategic plan, and its funding and revenues. OTIC and OTE are committed to what is best for Oregon and believes the current partnership with ODOT is the right one.

Discussion:
Gwenn Baldwin talked about the shared partnership with ODOT that starts and ends with traveler safety. Avoiding traveler fatigue is a priority, and the deep and important history between OTIC and ODOT allows serving the motoring public in a way that ensures its safety. While the 2015 legislative package did not move forward, OTIC is committed to ensuring the right, robust package does move forward. It hopes to continue to move forward in an as-is position, taking the great base that has been started, and move forward to 2017. In addition, OTIC recommitted to collaborating on funding diversification, which will require rule making and authorization. OTIC sees the greatest opportunity in sponsorship of rest areas and authorization to renovate the grove at French Prairie.

Bob Russell said sponsorships will not replace all Highway funding received today, but might significantly reduce OTE's reliance on Highway Funds. The partners must work together to meet administrative rules and FHWA's requirements before we can go forward with sponsorships.

Charlotte Lehan talked about the French Prairie rest area, which is one of the highest traffic rest areas with over 2 million visitors a year, and which represents a particular opportunity in terms of sponsorship. A conference of the nation's attorney generals in 1967 resulted in a tree being planted for every state to commemorate the Highway Beautification Act of 1965. It has all the attributes to qualify as a State Heritage Landmark and will celebrate its 50th anniversary in 2017. Douglas firs overshadow the trees and some need to be cut out to make this more attractive to potential sponsors for the 2017 anniversary. OTIC can't move forward without ODOT's green light first.

Commissioner Simpson asked if there was access to more detailed expenditure information and if all fees on signs were the same across the board regardless of whether it's a multi-national corporation, or all the way down to the smallest business. Gwenn Baldwin explained that it fluctuates on demand and responds to a formula of Highway protocol. The formula was overhauled last year to assure TIC was meeting those protocols. Bob Russell added that while non-profit organizations are charged less, there is no discrimination between large or small businesses on prices for signs.

Simpson asked if OTIC was entertaining the concept of looking at new, innovative streams for companies that have massive marketing budgets in comparison to the Mom and Pop diners. Mike Drennan said that discussion ended with the decision to go with equity rather than training staff to make that difficult distinction on where to draw the line.

Commissioner Lohman said the maintenance backlog issue is one he has become more aware of recently and asked Tim Pickett to talk about the challenges faced, over and above just

getting the revenue to operate. Pickett said the 5000 blue signs statewide cost about $3 million annually to maintain. Rest areas have a level of deferred maintenance, estimated to cost about $20 million over the next 5 years, that is generated either by age or use and includes things from parking lot repairs to infrastructure with buildings.

Lohman clarified that management of some rest areas, like Oak Grove, was transferred from ODOT to OTIC without funding to handle the backlog of deferred maintenance issues we have now learned about.

Commissioner O'Hollaren asked how deeply staff has looked at Virginia's rest area model, and what steps would be required to move in that direction? Can it be done under current law? Gwenn Baldwin responded that, again, ODOT permission is required in rule to allow sponsorship before they can move forward to FHWA. That's ODOT's role as trustee, and no one else can substitute that.

Tim Pickett said Virginia's decision to close its rest areas resulted in the concept of private dollars being invested in the transportation system. An example is GEICO Insurance Company's sponsorship of rest areas. Exploratory meetings on this has shown that additional rules are required to govern sponsorship and those rules have to be submitted to, and approved by FHWA which maintains overall control of state-level sponsorship programs. Director Garrett clarified what steps would need to be taken to move forward with sponsorships and committed to getting the required parties around the table within the month to start those steps.

Commissioner Morgan expressed concern about the lack of long-term planning, looking ten to twenty years out, and talking about the kind of rest area system that will serve the transportation system, commercial haulers and private citizens in the way the whole transportation system is evolving in the future. What discussions are occurring in term of a long-range vision for the system? Bob Russell said the long term discussion started with the Transportation and Tourism Task Force that also looked at how rest areas could be used to promote economic development through tourism and connect those rest areas to the local communities.

Mike Drennan, Chair of the Finance Committee, said OTIC has been on a band aid approach. ODOT has been very generous with its support, but we keep reaching these critical points. Sponsorships will not be enough to cover the gaps we are seeing in financing, and to cover the long-term needs, we will have to work together to develop that long-range plan instead of just putting on a temporary fix from biennium to biennium.

Commissioner Morgan appreciated the comment because there is clearly an issue with an aging infrastructure way beyond the life intended, and the futility of putting a bunch of band aids over a system that really needs a comprehensive, long-term plan. Do we need all these rest areas? Are they in the right places? Would abandoning some and developing others better serve the system? The capacity in answering these questions is more in ODOT in the expertise, time, people and materials needed to do this. But before these decisions can be

made about long-term strategic investments, there has to be some kind of deliberation or plan that would drive that.

Kathy Watson said visitors don't differentiate on the labels put on rest areas. When they need a rest area, they need a rest area. Travel Oregon is a good agency to be a connector for all those different labels like travel centers, rest areas, state parks, etc. Chair Baney said she would take the lead on that conversation if Kathy Watson would take the lead for OTIC.

Ed Washington said he will do whatever he can so the traveling public can have a safe clean place to go when it needs to stop.

Commissioner Lohman asked for more detail on the split of the pots of money OTIC works with, and what challenges are associated with those. Nancy DeSouza said there are clear requirements on Highway Funds and how they can be spent. Tim Pickett talked about OTIC's budget, which is built from the bottom up. Charlotte Lehan noted that the heritage tree programs are staffed by volunteers and the community raises the money to make and install signs when needed.

Director Garrett summarized that the revenue stream is not yielding the amount anticipated, and a clock is ticking with a date of January 2016. There are some unknowns, which leaves three scenarios to go forward: (1) stay "as is" and live within our means, (2) the lawsuit and how long that will play out, and (3) the legislative conversation. Garrett suggested ODOT continue to cover the gap until the lawsuit and its ramifications are known, or new legislation is put in place. This will keep what has already been built in place until new revenue streams can be built.

Baldwin said that while she would like to see long-term funding in place sooner rather than later, if Director Garrett's plan buys time to have the required conversations and put the correct players at the table, she's all for it.

Bob Russell said the Oregon Trucking Association is a plaintiff in the lawsuit and volunteered to come back and discuss that lawsuit.

Chair Baney and Commissioner Lohman agreed with Director Garrett's proposal, saying it was pragmatic and responsible.

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The Commission adjourned for a lunch discussion with the Oregon Travel Information Council at 12:04 p.m.

The regular monthly meeting was reconvened at 1:39 p.m.

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Workshop Item 2

City of Hillsboro Mayor Jerry Willey welcomed the OTC and OTIC members on behalf of the City of Hillsboro. He gave a brief history of Hillsboro, a continuously growing community with the motto, *Growing Great Things,* and talked about some of the city's highlights and successes, one of which is its great partnership with ODOT.

Hillsboro City Manager Rob Dixon said Hillsboro is the most racially diverse city in Oregon, and he talked about some of the city's unique factors, like its technology cluster of businesses that has the second largest technology output of any metro area in the country. Of the 62,000 people that work in Hillsboro daily, 50,000 of those jobs are filled by outside workers coming from all over the region, causing an excessive use of local roads, particularly those coming in from the southwest. Hillsboro is trying to combat this by addressing the city's housing shortage with densified housing projects. But with the city's continued growth, there will still be a net increase burden on the regional transportation system. Dixon stressed the importance of partnership and expressed his pleasure at having an ACT in Region 1.

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Workshop Item 3

The commission received an update from ODOT staff on the development and deployment of ODOT RealTime, with a focus on Oregon 217. The presentation also previewed the effectiveness assessment expected to be published later this year. ODOT Region 1 Manager Rian Windsheimer, ODOT ITS Manager Galen McGill, and ODOT Region 1 ITS/Traffic Engineer Dennis Mitchell gave the presentation. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

Prior to 2005, Metro and ODOT both completed studies calling for the expansion of Oregon 217 including rebuilding the interchanges and adding lanes in each direction. Since that time, ODOT staff, in partnership with local government staff, other state departments of transportation, the Federal Highway Administration and others, has worked to develop effective, lower cost solutions that focus on improving safety and operations.

The development of ODOT's nationally award winning Real Time initiative required prudent risk taking by the agency to use technology in new ways that give drivers information in real time so they can make good decisions on the road. This new information includes back of queue warnings, variable advisory speeds, dynamic ramp metering and anticipated travel times. This information helps drivers make route choice decisions, as well as prepare them for roadway conditions ahead.

Presentation:

Galen McGill introduced Dennis Mitchell who participated in giving the presentation on ODOT Real Time, along with Rian Windsheimer. Highlights of the presentation on ODOT RealTime were:

- RealTime is an ITS program that started with TripCheck and has evolved over time from "Know before you go"… to "Know **AS** you go"…
- A 2005 study of the Highway 217 corridor recommended widening the highway at a cost of $1 billion for 7.5 miles of roadway. Because previous solutions were too expensive, staff looked for affordable and innovative solutions that satisfied three core principles: safety, operations, and low cost.
- The commission viewed a video on Highway 217, and initiating innovative solutions.
- Design and funding – stakeholder engagement, lessons learned, preliminary design.
- Implementation – signage, public outreach, ramp metering.
- Benefits include decrease in total crashes, increased travel time reliability, and peak travel time down.
- ACEC Engineering Excellence Honor Award, WTS Innovative Transportation Solutions Best of ITS: Best New Innovative Products.
- Next steps include monitoring results, delivery of the TIGER Grant project, Region 1 ATM strategy, and other projects and locations.

Discussion:
Commissioner Lohman asked how this program stood up against FHWA/ODOT's concerns about signage overload and the distraction factor. Dennis Mitchell responded that one method of reducing distraction is using colors and graphics to reduce the use of words and create uniformity in signs making them easier to understand.

Commissioner Simpson asked if there was any integration with law enforcement in terms of using the existing cameras. Rian Windsheimer said these signs are not part of the photo enforcement program, but there have been conversations with law enforcement, fire, and first responders on how to get the most out of these signs.

Commissioner O'Hollaren asked what the next steps are. Mitchell said giving travelers alternatives and other information designed to help them make decisions is the first step.

Commissioner Morgan said this is a lot of complex programs working together and asked if there have been issues with its reliability. Mitchell said people have to have that consistency, so safeguards have been built into the various systems and additional personnel were added to maintain the equipment.

Commissioner Lohman recommended this presentation be given to the legislature and partners in the region.

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Workshop Item 4

The commission received an informational briefing from TriMet's Executive Director/General Manager Neil McFarlane about TriMet's current operations and projects, which includes the agency's comprehensive service planning process and service expansion recommendations, an update on Portland-Milwaukie Light Rail construction, and major capital improvement plans.

(Background materials in Director/Commission/History Center File, Salem.)

Background:
The Tri-County Metropolitan Transportation District, more commonly known as TriMet, provides bus, light rail and commuter rail service throughout most of Oregon's portion of the Portland metropolitan area. TriMet provides transportation options that connect people with their community, while easing traffic congestion and reducing air pollution.

The Oregon Department of Transportation enjoys a strong partnership with TriMet in planning and operating the Portland metropolitan region's multimodal transportation system. Many of TriMet's projects, including a number of light rail construction projects, have involved extensive cooperation with ODOT, and ODOT has contributed financially to these projects.

In the fall of this year, TriMet will begin operating service on the Portland-Milwaukie Light Rail Transit Project. The project will create an Orange Line light rail alignment that travels 7.3 miles, connecting Portland State University in downtown Portland, inner Southeast Portland, Milwaukie and north Clackamas County. By 2030, this light rail line is projected to carry up to an average of 22,765 weekday rides, and approximately 22,000 households and 85,000 employees will be located within walking distance of Portland-Milwaukie light rail stations.

Presentation:
TriMet General Manager Neil McFarlane gave the presentation on TriMet's strategic direction. Highlight of the presentation were:

- 100 million riders per year.
- TriMet's roles: connecting people to jobs and services, cost effective relief for congestion, provide access for seniors and people with disabilities, help shape regions competitiveness.
- Operations are cost-effective with an operation cost per rider that is 22 percent below the peer average.
- Traffic is expected to continue to increase causing more and more congestion. TriMet plans to meet this challenge through Service Enhancement Plans that not only continue to provide good service, but also broaden that service by adding more inter-Washington County travel and connections.
- Changing demographics of the region is another driver of the Service Enhancement Plan.
- The great partnership with ODOT helped deliver the Orange Line and achieve many other TriMet objectives.

Discussion:
Commissioner O'Hollaren asked about the volume of ridership coming into the Expo Center over the Columbia River. McFarlane said he did not have those figures but would get them for Commissioner O'Hollaren.

Commissioner Lohman asked what the next new start would be. McFarlane said the Service Enhancement Plans are the next priority for the transit agency, followed by working with its partners to deliver the Powell-Division line, and finally the Southwest Corridor.

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Workshop Item 5

The commission participated in a panel discussion with members of the Region 1 Area Commission on Transportation (R1ACT). ODOT Region 1 Manager Rian Windsheimer led the discussion. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The Oregon Transportation Commission provided a provisional charter to R1ACT in February 2015. The R1ACT met for the first time in June to adopt its bylaws and appoint Washington County Commissioner Roy Rogers as Chair, and Clackamas County Commissioner Paul Savas as Vice-Chair.

In preparation for this meeting, the commission posed the following questions for the Region Area Commission on Transportation members to consider as part of the discussion:

1. *ODOT's mission is "To provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians." How do you view the ACT's role in supporting that mission?*
2. *What do you see as the greatest challenges and opportunities facing the ACT?*

Presentation:

Rian Windsheimer started the presentation by welcoming the Region 1 Area Commission on Transportation to its first official meeting. He said today is an opportunity for members to tell a little about themselves, what experience they are bringing to the table, and what they see as the challenges and opportunities in front of the ACT. Member of the three panels participating in the discussion were introduced.

Panel 1

Roy Rogers, Region 1 ACT Chair, JPACT member, former Tualatin City Mayor and Washington County commissioner
Steve Novick, Portland City Council, Transportation Commissioner
Bill Avison, Avison Lumber, Clackamas County Economic Development Committee
Paul Savas, Small business owner
Pia Welch, Freight representative/Federal Express
Ron Rivers, Hood River pear farmer, freight mover
Doug Daoust, City of Troutdale Mayor,
Jef Dalin, City of Cornelius Mayor, JPACT member

Panel 2

Denny Doyle, City of Beaverton Mayor. Oregon League of Cities Treasurer
John Cook, City of Tigard Mayor, finance background
Neil McFarlane, TriMet General Manager
Steph Routh, former Executive Director of Oregon Walks
Jeff Groves, Hood River County representative, Cascade Locks Port President
Craig Dirksen, Metro Council District 3 Representative and JPACT Chair
Chris Oxley, Portland Trail Blazers
Steve Bickford, Hood River exporter, pear and apple farmer, wine maker

Pam Treece, Westside Economic Alliance Executive Director

Panel 3

Tom Chamberlain, Oregon AFLCIO President, Port of Portland Commissioner
Peter Cornelison, Friends of the Columbia River Gorge, Hood River City Councilor
Curtis Robinhold, Port of Portland
Krisanna Clark, City of Sherwood Mayor
Bill Merchant, Citizen of Clackamas County
Jeff Gudman, Lake Oswego City Council, JPACT member
Julie Wehling, Transit Director for Canby Area Transit

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Panel 1 comments:
Roy Rogers said the Region 1 ACT is composed of a very robust group of people who understand that they are representing a huge percentage of the population for the State of Oregon.

Steve Novick said he brings a variety of perspectives to the ACT because the City of Portland has both crumbling streets and large parts of the city where it's unsafe to cross the street. It has avid bicyclists, and it has people who are convinced we are blowing all our money on bicycles. Novick said he represents a wide variety of perspectives.

Bill Avison feels getting the most out of our dollars will be a key thing, and he is going to watch this closely and try to help do that.

Paul Savas said his practical mindset will help identify what goals we are trying to solve. We need to have common goals to start a team, and opportunity to move forward as a group and establish those goals.

Pia Welch said money is the biggest challenge. Our biggest opportunity going forward is this group of people with diverse backgrounds coming together to look strategically at what is needed for the future.

Ron Rivers said the county has had a really good relationship with Region 1 even before the ACT. He had the privilege of serving on the last STIP committee, which was a realization to him that we could all work together on projects. Rivers said he brings the voice of a business man that moves a lot of freight, all year long.

Doug Daoust said he has an eye for ODOT's role in pedestrian and bicycle connections to the highways, an excellent example of which is on Interstate 84 across the Sandy River Bridge. The brand new bridge now has a pedestrian/bicycle path across the river, plus two brand new paths on both sides of the river that tie into local trails and bicycle paths. Daoust is a former finance director for a federal agency and brings a finance director point of view to the table.

Jef Dalin has been very active in the transportation sector and sees the biggest challenges as the diversity of the Region 1 ACT and money. There are a lot more projects that are good and

need to be done than there's money to do it with. That brings us into our opportunity to bring everyone together from this highly diverse region to help them understand, in a common manner, the significance of each of these issues. Every issue is the most important until you have an opportunity to sit down, hear what's going on elsewhere with your neighbors, and then gain a perspective on where your problem, and the benefit of solving it, ranks in comparison to everyone else.

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Panel 2 comments:
Denny Doyle said the opportunity is just being at the table in an official manner and trying to get regions working as regions. Washington County's experience can help bring that to the table and help work out the difficulty of shrinking federal dollars.

John Cook said mayors in northwest Oregon have always had good relations and work well together to look at projects, large and small, and decide the best project for the whole area. This regional viewpoint will be brought to the table and should be useful.

Neil McFarlane said the challenges he would emphasize start with the diversity of the area, from very urban neighborhoods that rely on streetcars, buses, bicycles, and walking as a primary mode of travel, to very suburban, rural areas. That creates a very big challenge in terms of diversity of opinion. The great opportunity that comes from that is that we are able to create a consistent view about being "in the soup" together, and recognize that improving transportation in one part of the region has repercussions in other parts of the region, and what those repercussions are. The other challenge is declining funding, at the state and federal level. One of the great opportunities we can begin to do is to challenge ourselves and begin to learn from each other about how we can begin to all contribute to the improved transportation system that we need. McFarlane said he predicts it is going to take a very different level of investment, at the local level, to maintain our transportation system and grow it to meet the challenges of a growing population.

Steph Routh said in her position at Oregon Walks, she advocates for everyone. No matter how most of us got here today, through the various modes, no one teleported to the door so everyone is a pedestrian at some point during the day. Walking is the red carpet to retail, and walking is a means of supporting our economy. From her three year old niece who is just starting to walk, to her grandfather who just lost his driving privilege due to poor eyesight, transportation is entwined in our lives. One of the big challenges we need to be talking about more is our ageing population.

Jeff Groves said ports create a lot of economic prosperity for the state. As a member of the Pacific Northwest Waterways Association Board of Directors, Groves travels to Washington each year to lobby for more money for transportation because ports need transportation. Hood River is a small county and it's important, as we all sit at the table that we think about transportation of the future. The national scenic area of the Columbia River Gorge has issues and problems related to the dramatic increase in visitors to facilities that have not been updated to meet that increase.

Craig Dirksen's work history has afforded him experience bringing diverse groups of people together to try and find agreement, if not consensus, on policy and priority for finding ways to best use the limited transportation funds for the kinds of projects that will serve the region. Dirksen also sits on the national board for Transportation for America, a private, non-profit transportation advocacy organization based in Washington, D.C., allowing him to take a Portland view to that national group, and also bring back a national view to the region as well. The first challenge he sees for the ACT is, given the complexity of transportation funding, developing a common understanding of all transportation spending in the area will be important to provide context for how to prioritize projects for ODOT administered funds. The second challenge for this group is how we will develop and utilize a technical evaluation process to ensure investments are making progress toward ODOT's mission. The big opportunity we have is that the ACT can bring voice to the priorities and the strategies that we have already agreed to in our regional and local planning processes, and bring that to the ODOT funding allocation process. These existing plans were designed to address state goals and regulations, were developed with ODOT participation, and are consistent with the ODOT mission and the Oregon Transportation Plan. By linking our fund allocation recommendation to the strategies we've identified in our plans, we can help ODOT implement the highest priority projects and meet its stated mission.

Chris Oxley said the Portland Trail Blazer organization is a regional draw, a significant employer in the state, and an economic driver. The Portland Trail Blazers see two million visitors on an annual basis, and understand that challenges that brings from a transportation perspective and what infrastructure means to our economy and jobs in particular. Oxley said he is blissfully new to this as the ACT was just created, so it would premature to talk about what he sees as challenges and opportunities the ACT will face. He will be looking for ways to intersect the business community with policy to make some great strides.

Steve Bickford exports a third of his farm's pears offshore to other nations and they are transportation all over the nation by trucks on the highways. As a volunteer fireman, he uses the highway for other purposes.

Pam Treece thanked the commission for the important work it does for the state, and recognized the difficulty the commission faced with limited funds and great needs. The Westside Economic Alliance is a public and private organization focusing on the economic vitality of the west side of the region, including the west side of Clackamas County and all of Washington County. Transportation needs are a primary goal of the organization. The greatest opportunity is to have a unified voice about regional transportation issues, and the greatest challenge is going to be to have a unified voice on those issues as well.

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Panel 3 comments:
Tom Chamberlain has spent 27 years as a Portland firefighter and has lived and worked around the downtown area and knows how difficult it is to cross some of those streets. Chamberlain said he understands the role transportation plays in job creation and getting goods to market. The ACT faces many challenges, including a growing population base and

shrinking dollars. But there is also the opportunity of bringing a diverse group of people together to try and find a common vision and a common solution.

Peter Cornelison said Hood River has a population of 7,000 that swells to 20,000 plus in the summer. The two greatest opportunities from his perspective are the historic, 100-year anniversary of the Columbia River Gorge Highway next year, which will be huge in terms of tourism, and a circular transportation loop around Mt. Hood that is currently planned. The loop will allow international travelers coming to Portland to get to Hood River and the gorge.

Curtis Robinhold said the Port of Portland, with three airports, four marine terminals, and significant industrial land holdings, is connected in, around, on top up, and behind the transportation infrastructure in the Portland Metropolitan area. The connections the Port provides, in particular around the perspective on international trade and the movement of goods in and out of Oregon, is what is driving this effort.

Krisanna Clark said Sherwood is unique because it is a small town that grew very, very quickly and its transportation needs grew with it. The town went from 5,000 citizens to almost 20,000 in the span of just five years. Sherwood is predominately a bedroom community, so transportation is number one in their minds and hearts. The workers need a way to get from here to there for their jobs. Sherwood is bisected by two roads that the city has no jurisdiction over, and that is a challenge. So, a big piece in starting to solve our problems is collaboration, and she is excited to be on this commission.

Bill Merchant said most of the population in the Clackamas County region is urban and about ten years ago decided it was getting short-shifted and wasn't getting enough attention for transportation. It decided to get the ball rolling, resulting in the Region 1 ACT created today. Merchant said land use planning and transportation go right together, and one of his concerns is that we have jobs, we have transportation to the jobs, that we have transportation of the product from where it's produced to the rest of the world, and that we don't just pave the entire universe to do that. One of the challenges he sees is coordinating among the ACTs because while his region could be considered *the* population center of Oregon, members of other ACTs come to talk about their biggest problem, and it's an intersection in Clackamas County. There needs to be coordination between the ACTs, as well as coordination within the individual ACTs.

Jeff Gudman said the three challenges he sees are money, coming together as one voice, and long-term focus, not ignoring the crisis of the day or the phone call of the month, but looking out in terms of decades. It's important to maintain that long-term focus, despite any citizen request, and not lose focus because someone has called or reached out to you. We may not like it, but our federal government is becoming a health care system with a military. Because of that, transportation funding is being squeezed out and we need to come to the recognition that, outside of the interstate, for everything else we are on our own.

Julie Wehling has been in public transit since about 2000 and has a real passion for special transportation and rural transportation, especially for people who are transit dependent. Wehling said she also has an understanding that transportation is not all about buses, that

there are sidewalks, trails, roads, bridges, and everything else involved. She looks forward to rolling up her sleeves and working with everyone to get a consensus.

Discussion:
Commissioner Morgan started the discussion by saying the Region 1 ACT is a very impressive group of individuals who will bring a breadth and depth of experience and knowledge that is pretty awesome. Morgan said she was heartened to have this diverse group step into the arena, knowing there will be challenges to face across jurisdictions, across the different modes, and then dealing with the funding challenges as they try to establish a timeline of attacking projects, basically prioritizing and putting things in a line that can be chunked away over time. She wished the Region 1 ACT the greatest of luck and restated that the OTC is always available to help if rough spots are hit in the road.

Commissioner Simpson said when he first joined the commission he was made aware there were problems putting the Region 1 ACT together. He congratulated everyone who knuckled down and got together to assure they are making the right, cohesive framework around protecting this urban area right now and preparing for the future. It's pretty apparent to everyone going forward that resources are scarce, but this group embodies, essentially, what is necessary in order to make those innovative improvements and decisions, and break down those barriers so we can work collectively as a region. It's going to take a lot of that to plan, design, prepare and construct the infrastructure necessary for the 21st century.

Commissioner Lohman heartily seconded the comments of Commissioner Simpson and Commissioner Morgan.

Chair Baney thanked the members of the Region 1 ACT for their participation in this discussion, saying their voices and comments have been heard. She said the ACT's voice is incredibly important to the commission in helping make good decisions. The diversity of the region, the funding challenge, and the great needs of the region are the reasons to come together and find a way to maximize those dollars and leverage our resources. Aligning the goals and unifying the ACT'S voices is of value to the region and that is exactly why Baney is so proud to be here today and witness all these knowledgeable, committed members of the ACT coming together. We share a statewide system that is the backbone of the economy for the State of Oregon, and we have a responsibility to those that live in the State of Oregon to be good stewards of those dollars.

Director Garrett said Representative Bill Kennemer should be here today because he took a little bit of a risk for this. Garrett said, "He had constituents knocking on his door saying their voices were not being heard and he took a little bit of a chance, because early on when we engaged that conversation to see if we could birth an Area Commission on Transportation, the smart money bet against us. I wish he was here today to see the collective talent and wisdom, and the diversity of experience at this table. I am in awe of the composition of the Region 1 ACT, and while the challenges will certainly be formidable, the capacity to take on those challenges and find the solutions resides in the composition of the Region 1 ACT."

Garrett closed with a note to his friend Mr. Dirksen to know that the Area Commission will only compliment the intelligence and the professionals at Metro and JPACT as we take on a comprehensive charge to deal with the transportation challenges for the Portland metropolitan area. But we do know this, the State of Oregon sends everybody and everything into that Portland Metro area because we are an exporting state, and it moves beyond and through. Together we will build a much more robust and healthier transportation system.

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Chair Baney adjourned the meeting at 4:33 p.m.

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The OTC and ODOT staff held a no-host dinner with members of the Region 1 Area Commission on Transportation in the Piazza Room at the Venetian Theatre and Bistro at 253 E. Main Street, Hillsboro.

Friday, July 17

On Friday, July 17, 2015, at 8:30 a.m., The OTC and ODOT staff took a shuttle and participated in a tour and briefing about the U.S. 26 - Brookwood Interchange and its economic impacts.

Chair Baney called the formal monthly meeting to order at 10:12 a.m.

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Director's Report
Agenda Item A

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ITS America Award

Director Garrett was pleased to announce that the Intelligent Transportation Society (ITS) of America recognized the Oregon Department of Transportation for the "OR 217 Active Traffic Management Project" in the category of *Best New Innovative Products, Services or Applications.* This ITS award acknowledges innovative public and/or private-sector projects that provide transportation solutions to users through ITS deployments, including the areas of public safety, security, surface transportation efficiency, the reduction of carbon emissions, and innovative financing. The *Best of Intelligent Transportation Systems* award is a highly competitive program which recognizes the most innovative projects and influential

achievements in the high-tech transportation community. Garrett recognized Galen McGill, Ryan Windsheimer, and the Region 1 team for their work which has done ODOT proud.

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2015 Transportation Planning Excellence Award

The "Mt. Hood Multimodal Transportation Plan" was honored as one of eight *2015 Transportation Planning Excellence Award* winners. The multimodal plan won in the category of *Emergency and Safety Planning* for developing a set of recommended programs and projects, along with an implementation and funding strategy, which will increase safety and travel options along the Mt. Hood corridor – US 26/OR 35 between Sandy and Hood River. The Transportation Planning Excellence Award Program is a biennial award program developed by the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and co-sponsored by the American Planning Association. The program provides a unique opportunity to recognize and celebrate the outstanding transportation planning practices performed by planners and decision makers in communities across the country.

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2015 Jackson Scholar Awards

Director Garrett said the Glenn Jackson Scholarship award was established in 1986 for dependents of employees and retirees of ODOT and Oregon Parks. Contributions to the fund have been made by employees, as well as family, friends, and business associates of the late Glenn Jackson. No state money goes into the scholarship fund, and each award recipient will receive a maximum of $2,500 per academic year. Garrett announced the five 2015 Jackson Scholar recipients:

Not present:

- Mykayla Duda, whose father is Richard Duda, from Milo McIver State Park (OR Dept. of Parks has a separate ceremony for their employee's recipients).
- Tayler Dahl, whose mother is Deneen Dahl, former ODOT employee, now working for Roseburg Lumber.

Present:

- Shane Thomas, whose father is Matt Thomas from the Area 3 Project Management Office, has a 3.5 GPA, plays football and basketball, and is a member of the flowing clubs- Student Council, Leadership, National Honor Society, and Club Med. In addition, he has won the following sports awards- 1st team league wide receiver (2013), Honorable Mention all-league (2014, 2015), and Gates Millennium Scholarship Winner. Shane's college plans include attending Oregon State University, majoring in biochemistry, after which he will transfer into a Medical School, find a hospital to do residency at, then eventually get an attending position as an Anesthesiologist.
- Jenna Davis, whose father is Danny Lane Davis, a Region 4 TMS2 from District 11 in Lakewood, is the 2015 Salutatorian of the senior class with a 3.98 GPA. Her activities include ASB/Student Council, and volunteering on mission trips to Africa and feeding the homeless on Skid Row in Los Angeles. Jenna will attend Western Oregon University in Monmouth, where she will study nursing and pre-med as she

works to her goal of becoming a pediatric oncology nurse working at Doernbecher Children's Hospital.

- Jenny Kirschner, whose father is Glenn Kirschner from the Klamath Falls DMV, attended Hosanna Christian School in Klamath Falls with a 4.0 GPA. Her activities include Student Council Secretary, Honor Society President for two years, swim team captain, and volunteer singing at nursing homes and Kiwanis Club during the Christmas season. Jenny plans on attending OTI to study engineering and bio-medicine to become a medical imaging science professional.

Garrett congratulated these young people for the accomplishments they have already attained, and said it was a privilege, as Director of the Department of Transportation, to hand over the Jackson Scholarship Awards to these five students, our future leaders. Photos were taken with the scholarship winners.

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FHWA Award
Agenda Item B

The commission participated in recognition from the Federal Highway Administration to the Oregon Department of Transportation and its partners, including the Corvallis Area Planning Metropolitan Organization, and the Department of Land Conservation and Development as a 2015 FHWA Environmental Excellence Award (EEA) recipient. The EEA award recognizes exemplary achievements in Air Quality Improvement and Climate Change. Federal Highway Administration Division Administrator Phil Ditzler presented the award. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
The Federal Highway Administration (FHWA) recognizes ODOT's commitment to advance the state practices to reduce greenhouse gas (GHG) emissions, as demonstrated by ODOT's Strategic Assessment of land use and transportation plans for CAMPO. Working together, ODOT and DLCD developed a Regional Strategic Planning Model to evaluate whether metropolitan areas' existing transportation plans and trends achieve GHG emissions and air quality goals. Staff of CAMPO volunteered to help ODOT and DLCD engage stakeholders in collecting data and evaluating the impacts of alternative transportation policies. The strategic assessment also demonstrated how CAMPO can implement a variety of initiatives, such as pricing strategies and the promotion of eco-driving practices, to further reduce GHG emission in the state, which it has already started exploring. As a result of ODOT's efforts, Oregon metropolitan planning organizations can now identify the best transportation plans and policies to reduce GHG emissions and improve air quality while benefitting residents' health.

Since 1995, FHWA has presented biennial awards for Environmental Excellence to recognize outstanding transportation projects, processes, and partners that go beyond "business as usual" to achieve environmental excellence. FHWA accepts nominations for any project, process, group

or individuals involved in a project or process that has used Federal Highway Administration funding sources to make outstanding contributions that go beyond the traditional transportation projects, and encourage environmental stewardship and partnerships to achieve a truly multifaceted, environmentally-sensitive transportation solution.

Presentation:
FHWA Oregon Division Administrator Phillip Ditzler introduced FHWA Environmental Manager Michelle Eraut, saying they were at the meeting to recognize the fine work of ODOT, the Oregon Department of Land Conversation and Development (DLCD), and the Corvallis Metropolitan Planning Organization (MPO), and to present these organizations with FHWA's Environmental Excellence Award. The Environmental Excellence Award is FHWA's highest honor and recognizes people, projects and processes, pioneers, innovative risk takers, partnerships, those who find ways to give back to the environment, and it recognizes environmental excellence.

This year, ODOT, in partnership with the Corvallis MPO and DLCD are recognized under the *Excellence in Air Quality Improvement and Climate Change* category for their strategic assessment of land use and transportation plans for the Corvallis area. This work demonstrated not only an outstanding analytical capacity, but also a strong partnership that laid the foundation for success. This work has spurred interest in other MPOs throughout the state and across the nation. FHWA had adopted Oregon's model framework for use in emissions reduction analysis across the nation.

This award recognizes organizations and partnership that demonstrate that we can keep our economy moving, and at the same time, protect what we cherish: clean air, clean water, and livable communities. Dirksen said, "For the work these partners have done, we commend and congratulate you." ODOT Senior Transportation Planner Brian Hurley, Corvallis MPO Director Ali Bonakdar, ODOT Director Matthew Garrett and OTC Chair Tammy Baney accepted the awards.

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Public Comments
Agenda Item C

Public comments were received from:

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Mary Stern, with the Association of Oregon Counties (AOC), spoke on behalf of the AOC and the League of Oregon Cities (LOC) as Craig Honeyman could not attend. She thanked the commission for its wonderful ODOT staff that worked so closely with its local government partners. Both AOC and LOC greatly appreciate the cooperation, the leadership, and hard work of Leah Craft, Travis Brouwer, Amy Joyce, Victor Dodier, and ODOT's fabulous director, Matt Garrett. Stern said they entered the legislative session with high hopes of a transportation package that would help address the huge backlog of maintenance projects. Although cities

and counties support the DMV Service Transformation Program, they were very concerned about the shrinkage of the State Highway Fund due to covering the cost of the STP and merchant fees for debit/credit cards. ODOT worked closely with AOC and LOC to try to mitigate this by developing a bill to increase some of the DMV fees to cover the cost of service. Unfortunately, we ran out of time and there was no appetite to remedy this problem.

No one knows better than the ODOT staff that it was a very tough session for transportation. Had it not been for the increase in forecasted gas tax and weight-mile revenues, we would have left the session in worse shape than when we entered. There will be no transportation package for the 2016 session, meaning our integrated transportation system will continue to deteriorate. Therefore, AOC and LOC respectfully asked the OTC to direct ODOT staff to seek DMV fee increases next session. As it stands now, by not covering the cost of service, DMV is detracting from the State Highway Fund, and gas tax and weight-mile revenues are subsidizing DMV.

Stern thanked the commission for its difficult work in leading an agency that is struggling as much as cities and counties to meet its mission of providing the public with a safe and efficient transportation system. And again, we thank you for your wonderful staff.

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Metro Joint Policy Advisory Committee on Transportation Chair Craig Dirksen said the recent recession created a lot of economic downturn. But what was experience was nothing compared to what it would have been if this region had not been poised to be able to receive the investments by companies like Intel and others. As we come out of this recession, it's important that steps are taken to stay ahead of the curve and prepare for the next opportunity that presents itself. It's important for the public sector to look to the future and make the public investments necessary to support the private investment, which will truly increase the economic viability of the state. He urged the commission to consider this and be aggressive in what needs to be done to stay ahead.

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2018-2021 STIP Funding Allocations
Agenda Item D

The commission considered a request for approval of the funding allocations for the 2018-2021 Statewide Transportation Improvement Program (STIP), presented by ODOT Assistant Director Travis Brouwer, ODOT Transportation Development Division Administrator Jerri Bohard, and ODOT Highway Division Administrator Paul Mather. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
Beginning in February, 2015, the Oregon Transportation Commission (OTC) engaged in discussions on potential funding scenarios for the 2018-2021 STIP. In the first discussion, the commission discussed nine scenarios with the range based on whether to assume flat federal

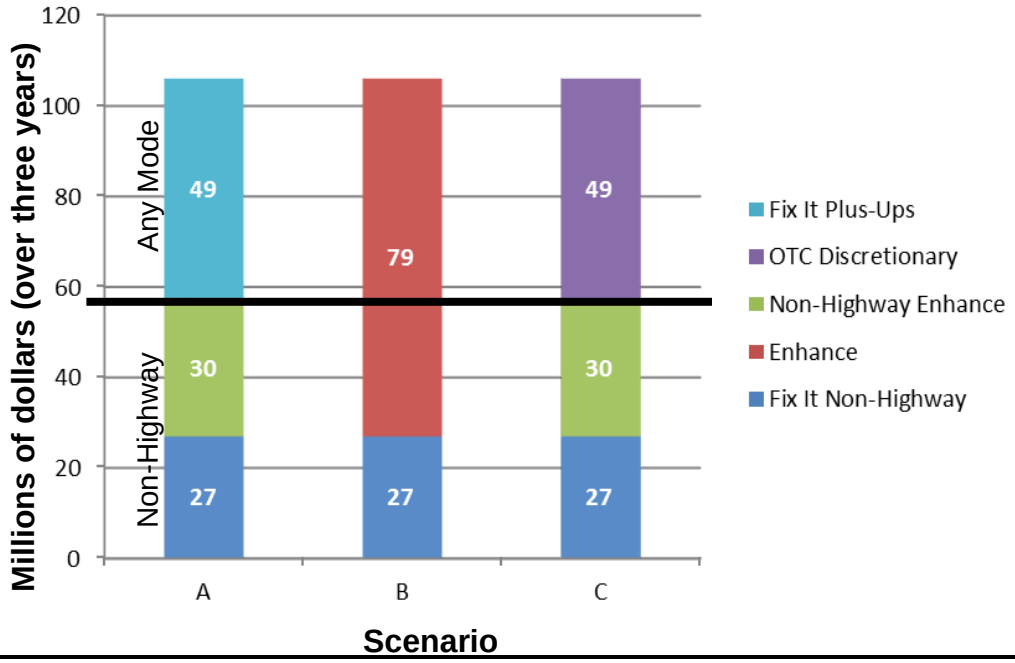
funding or a 10 or 20 percent federal reduction with different percentages that might go to Fix-It and Enhance. Both the OTC and the Area Commission on Transportation (ACT) chairs who participated in the February discussion recognized the priority of maintaining and preserving the existing system. The majority of the ACT chairs also recognized that with less Enhance funding, streamlining the project selection process should also be considered.

The OTC then spent additional commission meetings discussing the remaining alternatives. One of the key decisions was whether to dedicate all funding beyond the required non-highway set asides (which is anticipated to be $57 million for 2019-2021) to Fix-It, or allocate approximately 12 percent of the funds to Enhance, or approximately $106 million over three years.

At its April meeting, the OTC gave ODOT feedback on a number of points providing assumptions going into the next discussion.

- *Most of the funding available for Fix-It and Enhance will go into the Fix-It programs to preserve the state transportation system.*
- *With the emphasis on Fix-It, assuming a 10 percent federal reduction to mitigate risk is reasonable because it would be much easier to defer Fix-It projects to a later date if the need to do so arose.*
- *Up to $106 million over three years—12.5 percent of available funds— will be provided for Enhance or similar programs. Of this, approximately $57 million must be spent on non-highway projects (bicycle, pedestrian, transit, transportation options) to meet federal and state requirements.*
- *ACTs should play a role in project selection under any Enhance-type program.*

At the May OTC meeting, ODOT developed three funding scenarios based on direction from the commission. The OTC focused discussion around Scenarios A and C. The commission direction was to reframe the proposed OTC Discretionary funds to be region selected projects, allowing both Fix-It projects and Enhance-type projects to be selected depending on region needs.

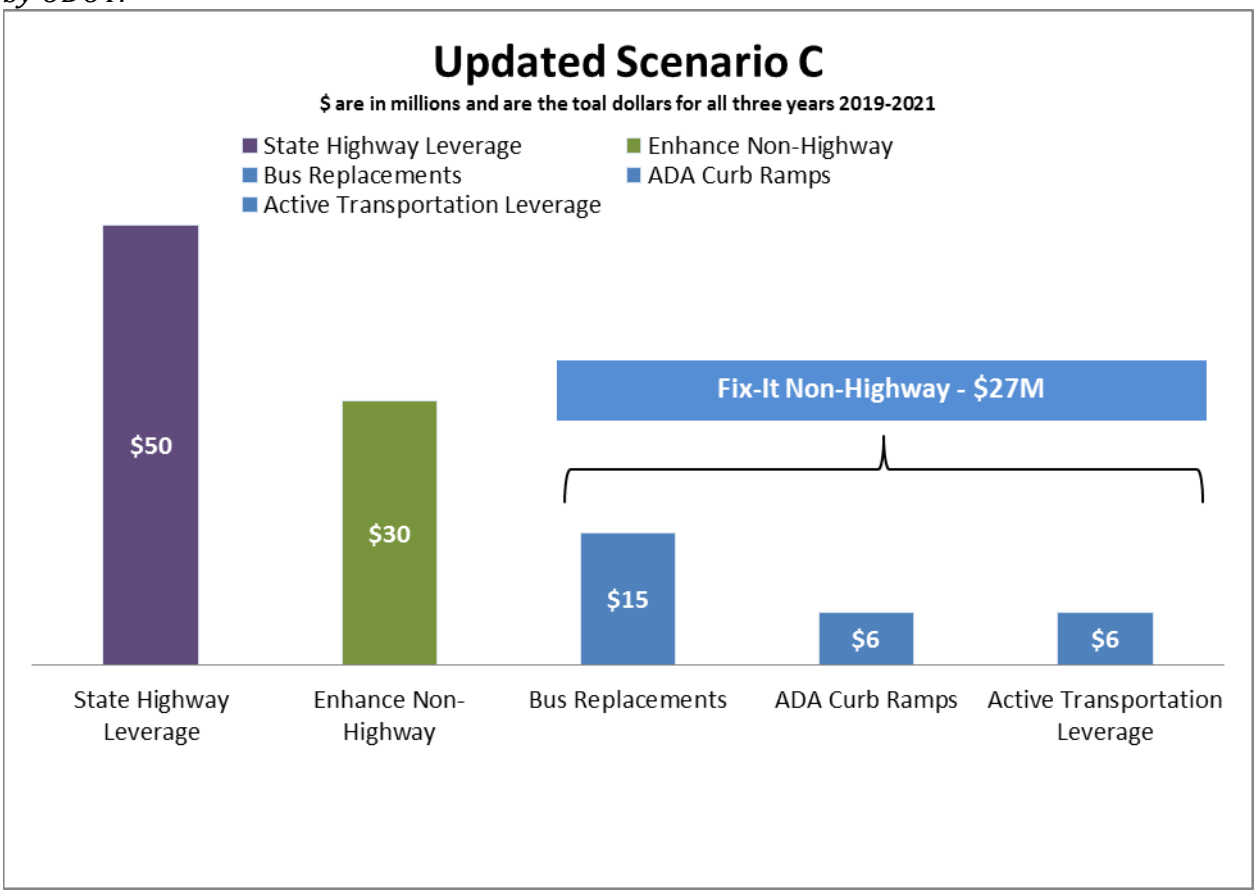


Based on the direction provided at the May meeting, an updated Scenario C has been developed and is illustrated below. For ease of discussion, the $49 million of OTC Discretionary becomes $50 million. Based on discussions with staff there was a need for some wording changes to provide additional clarification and to also recognize the difference between this scenario and the previous Enhance program. Definitions for Scenario C:

Non-Highway = Infrastructure for non-auto, non-truck modes of travel (both within and outside of highway right-of-way). May be on state or local system depending on the parameters of the program.

Active Transportation = Bicycle, pedestrian or transit features or connections.

State Highway System = Public roads, facilities and right of way owned and/or operated by ODOT.



The key aspects of each of these elements of the scenario are described below.

$50 million - State Highway System Leverage Funds (Formerly OTC Discretionary)

1. *For state highway system only.*
2. *Not for active transportation or non-highway enhancements.*
3. *Intended to leverage other funds/efforts. Adding priority enhancements or additions to Fix-It projects intended to be included in the 2018-2021 STIP.*
4. *Allocated to Regions using modernization equity split formula.*
5. *Fix-It projects not intended to be included in the 2018-2021 STIP are also eligible as standalone projects.*

Process -

- *Each region will work with their ACTs by first identifying a 150 percent list of projects and then work with their ACT to finalize the 100 percent project list.*

$30 million Enhance Non-Highway Funds -

1. *Projects may be on or off the state system.*
2. *Projects competing for these funds may or may not be "leverage" projects (such as Fix-It non-highway projects, American with Disabilities Act (ADA) ramps, bus purchases, etc.).*
3. *Projects need to be consistent with state and local plans.*
4. *The $30 million will be allocated to the Regions using the modernization equity split formula.*
5. *Applicants will be required to provide matching funds.*

Process

- *Projects will compete for these funds via a simplified proposal process that will use the existing Enhance proposal form released in January 2015.*
- *ODOT and local agencies will complete proposals and compete for these funds.*

$27million Fix-It Non-Highway Funds

Bus Replacements	*ADA Curb Ramps*	*Active Transportation Leverage Opportunities*
$15 million	***$6 million***	***$6 million***

$15 million – Bus/Transit Vehicle Replacements

- *Will be allocated to ODOT Public Transit for distribution.*
- *These funds are for buses in which ODOT holds title.*

$6 million – ADA Curb Ramps

- *The process for allocating these funds is not yet determined but it will be in support of strategic improvement (not regional equity).*

$6 million – Active Transportation Leverage Opportunities

- *Will be allocated to Regions using the modernization equity split formula.*
- *To leverage Fix-It projects.*
- *Project must be on the state system.*
- *Could be used for additions to a 2018 Fix-It project already in the STIP.*

The table below highlights the amount of funds each region would be allocated using the modernization equity formula for this scenario.

Modernization Equity Splits for Scenario C *All $ in millions*	$50M State Highway Leverage	$30M Enhance Non-Highway	$6M Active Transportation Leverage	Totals
Region 1 = 35.60%	$18	$11	$2	$31
Region 2 = 30.91%	$15	$9	$2	$27
Region 3 = 14.77%	$7	$4	$1	$13
Region 4 = 10.36%	$5	$3	$1	$9
Region 5 = 8.35%	$4	$3	$1	$7
	$50	$30	$6	$86

Summary - The following table is the recommended STIP Program Funding Allocations for the three years (2019-2021) of the 2018-2021 program. This includes both the STIP program levels and the Off-the-Top Allocations. As part of the final 2018-2021 STIP funding allocation, the OTC also discussed those programs in which they have discretion to modify the allocations. Based on the May discussions there were no recommendations to change the funding levels identified below.

2018-2021 STIP Allocations

Program	***2019-2021 Total***
Off the Top Programs	***$ 419,985,237***
Immediate Opportunity Fund	*$ 10,500,000*
Transportation Growth Management	*$ 12,825,000*
Public Transit	*$ 31,500,000*
Safe Routes to School Education	*$ 1,500,000*
Active Transportation Discretionary	*$ 4,200,000*
State Planning and Research	*$ 58,500,000*
MPO Planning (includes state match)	*$ 10,556,951*
Surface Transportation Program to large MPOs	*$ 85,417,662*
Transportation Alternatives Program to large MPOs	*$ 4,937,873*
Recreational Trails (to State Parks)	*$ 4,124,825*
Congestion Mitigation and Air Quality Improvement	*$ 47,718,339*
Local Bridge	*$ 69,271,208*
STP Allocation to Cities, MPOs & Counties	*$ 73,683,378*
Workforce Development/On Job Training	*$ 3,150,000*
Rail-Highway Crossings-State	*$ 2,100,000*
State Highway System Leverage Funds	***$ 50,000,000***
Enhance Non-Highway	***$ 30,000,000***
Bus Replacements	***$ 15,000,000***
Active Transportation Leverage Opportunities	***$ 6,000,000***
ADA Curb Ramps	***$ 6,000,000***
Fix It	***$ 738,461,953***
Total	***$ 1,265,447,190***

Next Steps Regarding Processes and Schedule: Only the $30 million Enhance Non-Highway program will require applicants to submit a formal proposal. The original STIP process assumed that Enhance proposals would be submitted August 3. Based on discussions with the commission, ODOT staff sent out a notice that proposals were not due in August and noting that upon approval of the STIP program levels by the OTC a new schedule would be developed and sent out to interested parties.

The new proposed schedule, based on the updated Scenario C, would have proposals submitted in November 2015. This would align with the anticipated application deadline for ConnectOregon. It is important to note that ConnectOregon funding will be available in 2016, but Enhance Non-Highway funding will not be available until 2019. However, coordinating these two programs will allow applicants to think about their project needs more holistically and likely for the ACTs to also see the long term vision for many of the proposed non-highway projects.

The current schedule has the OTC making a decision on the ConnectOregon projects in August 2016. A draft of the proposed project lists for the STIP would also be available at that time, providing the OTC an opportunity to review any connections across the two programs.

Upon approval of the STIP Program levels, staff will develop more detailed guidance and schedule information that is needed both for internally focused programs as well as those in which ACTs and other externals will engage.

Presentation:
Travis Brouwer said the presentation is a culmination of work going back to January when the discussion started on the direction of the 2018-2021 STIP. Over this time, the commission has given good direction in how to frame the STIP and made significant decisions about the level of funding to assume for the federal government, the mix of funds between Fix-It and Enhance, and direction on the off-the-top allocations. The final product of that work is being presented with the request for final approval of the funding allocations, along with a nod of approval on the criteria and process.

Brouwer gave a brief overview of the updated Scenario C which is geared to leveraging investments in fixing the transportation system, and finding opportunities to expand on projects to meet safety and operational needs to make our highways work better. The five components of Scenario C are:

1. $50 million – State Highway Leverage
2. $30 million – Enhance Non-Highway
3. $15 million – bus replacements
4. $6 million – ADA curb ramps
5. $6 million – Active Transportation Leverage

Paul Mather talked about the $50 million State Highway Leverage and $6 million Active Transportation Leverage fund programs. Region staff will share the 150 percent Fix-It lists with the Area Commission on Transportation (ACTs) to get input on possible leverage opportunities or efficiencies. The funds will be allocated to the regions based on the modernization equity splits established. The expectations are for the regions to work with the

ACTs and engage them in the process to gather and share ideas, with the goal of returning to the commission with a list of projects to fund that have the engagement and support of the ACTs. The regions and ACTs will decide the best process to achieve this in their area, so we don't envision a formal application process like used in the past.

Jerri Bohard said the $30 million Enhance Non-Highway program will use the same equity splits as mentioned above. The differences in this program relate to whether projects are on, or off, the state system because part of the funds are from the Transportation Alternative Program funds and are eligible to be off-system. In addition, there are requirements for some matching funds. It is a competitive process that will look for bicycle or transit projects off the system, pedestrian facilities, Safe Routes to School, and the like.

Bohard said the schedule shows proposals are due in November, to be reviewed by the ACTs after the first of the year, with the 100 percent lists released sometime in August 2016 and the draft to the commission next fall.

Discussion:
Commissioner Lohman said last time the process allowed the possibility of expenditures on non-state highways that benefitted the state system, and asked if that was the case this time, or not. Paul Mather responded that the expectations are the funds would be expended on the state highway system. Lohman noted there could be confusion on this point, so any discussions with the ACTs should emphasize this point.

Lohman said concern has been expressed that after an ACT makes its decisions, getting together in the Super ACTs was artificial and without depth. Part of the issue is the notion some ACTs have that they are making final decisions. He cautioned that staff needs to be clear so ACTs understand that the decisions made by the individual ACTs are recommendations, and the decisions made by the Super ACT are recommendations, with the final authority with the Oregon Transportation Commission.

Commissioner Morgan expressed concern about the role of the ACTs in this process. This will be the second round of granting with the new modes added, bike/ped and transit, and as we start the process, we need to recognize the frustration everyone will feel at the lack of funding, including the local jurisdictions. The main challenge is to keep the discussion focused on the need to look at the overall transportation system from the regional perspective, and from a statewide perspective, and the need to grow the ability of the modes within the regions to be able to continue to talk to each other and develop consensus opinions, even though it is very likely that none of them will come out with very much of what they want at all.

Commissioner Simpson had a question about ADA curb ramps and asked if staff were looking at the process of what was going to be used to determine how to allocate those funds. Mather said that has been discussed and there is money set aside in the Fix-It program for some ADA ramps. This will augment that, and there are requirements that ADA be addressed whenever paving projects are done, and additional discussions are occurring on proactively looking at additional ADA ramps elsewhere on the system.

Commissioner O'Hollaren asked if state planning and research funding, for the off-the-top programs, was internally funded or is it contracted outside of the department. Jerri Bohard said these funds come from the Transportation Development Division, and includes planning and research. There is consultant work within all the scenarios.

Commissioner Lohman asked for information on the decision making on local bridge funding in the off-the-top list. Mather responded that no changes are proposed to the process for local bridge funding. We have an agreement with local partners on how much federal funding will go to local bridge funding. Local partners are engaged, along with ODOT bridge professionals that do the inspections, and go through the normal process to select those bridges. Travis Brouwer said it was important to note that while the amount going to local governments is lower than the last STIP, it is still significantly more than in the pre-MAP21 and previous STIP days. There is also additional money in the Safety Program Fix-It allocation where about half of that money now goes to local government, which was not the case in the past.

Chair Baney said a good message, as we get out to our communities, is to recognize that while we are living within our means in lean times, the OTC is doing its best to make sure the partnership is strong and there is a benefit to local governments.

Director Garrett agreed, saying the overall message is that, with the monies we do have, there is a strong lean to preserve the transportation system, and we can't forget that. That needs to be the opening and closing remark of any conversation, not the message that we don't have enough money.

Action:
Commissioner O'Hollaren moved to approve the funding allocations for the 2018-2021 STIP. Commission members unanimously approved the motion.

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2015 Oregon Legislative Session Update
Agenda Item E1

The commission received an overview of the 2015 Oregon Legislative Session and an update on the end of session activities that had an impact on the Oregon Department of Transportation. ODOT Government Relations Manager Leah Craft and Freight Planning Program Manager Chris Cummings gave the report. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
The Government Relations Section of the department tracked over 900 bills, memorials and resolutions during the six-month session. Several of the bills that passed during the session will have an impact on the department.

The overview covered the budgetary issues faced by the legislature and the department, a review and update on legislation introduced by the Oregon Department of Transportation, and an explanation of some of the changes made by the legislature and their impact to policies and programs currently in place within the department.

Presentation:
Leah Craft gave the report on the 2015 legislative session and the 2015 Legislative Summary report. Highlights of the presentation were:

- ODOT tracked in excess of 800 bills this session. Craft talked about what that means.
- Two elements of ODOT's proposal were not met. I) *Connect*Oregon fell short, and 2) one component of Senate Bill 271, to raise the gross revenue fee assessment charged to railroads to pay for the Rail Safety Oversight program, was pulled because it was getting wrapped up in a much larger oil train safety conversation.
- The following bills were successful:
    - $10.4 million general fund allocation for passenger rail
    - $30.4 million allocation for DMV Service Transformation Program
- The work done with local governments to find an avenue to help offset the cost for the STP investment as well as the debit /credit acceptance.
- House Bill 5005 allocated $35 million in General Obligation bonds for safety projects.
- House Bill 2730 created two new license plates: Trail Blazers and breast cancer
- House Bill 3402 increased speeds in central and eastern Oregon on specific segments of the highway.
- What's next for Government Relations: Based on the summary report, work is being done on implementation plans, as well as responding to a couple budget notes and bills that have short timeline for reporting.

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Connect*Oregon *Update
Agenda Item E2

The commission received an informational update regarding the *Connect*Oregon program from ODOT Transportation Development Division Administrator Jerri Bohard and ODOT Freight Mobility Unit Manager Chris Cummings. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
The legislatively approved budget includes $45 million for a sixth round of ConnectOregon. During the 2015 Oregon Legislative session, multiple ConnectOregon bills were considered with the intent of addressing various lessons learned from previous rounds. Issues considered by the Legislature included purchase of vehicles, life cycle of projects, loans, and review participation. ODOT staff will review with the Oregon Transportation Commission (OTC) the final legislative direction for the program.

ODOT staff will update program materials and administrative rules to meet the changes put forth by the Oregon Legislature. Staff will return to the OTC at a future date to seek rule review and approval, and provide a future update.

Presentation:
Chris Cummings talked about the *Connect*Oregon program. Highlights were:

- The main change this time is that applicants will now need to match 30 percent of a project cost as opposed to the previous 20 percent match.
- Grants are the only eligible products now; there will be no more loans.
- New consideration, when making decisions about projects, based around life expectancy of a project and its impact.
- New provision to exclude applicants from serving on the final review committee if they have application under consideration.
- Heavier marketing efforts this year.
- Timelines are quite short for staff: to reach to goal of applications out in October, all material revisions and updates will have to be completed by mid-September. The proposed submission cut-off date for applications is November, with staff reviews through January, modal and regional review through May, public hearings in July, with selection in August 2016.
- Updates to Administrative Rules will be brought to the August OTC meeting. The OTC was asked to give any suggestions on direction or policy to staff before the August OTC meeting to incorporate into the recommendations.
- The Regional Solutions Teams will be included in the review process.

Discussion:
Jerri Bohard asked that if newer commissioners who have not been through the process had anything they would like to see in the presentation for clarification, it would be very helpful for staff to hear before the meeting. Bohard noted that the boundaries have changed: Columbia County has moved from Region 1 to Region 2.

Chair Baney asked Chris Cummings to outline areas the OTC will have as decision points in the August meeting. Cummings responded that one area is the administrative rules. Some of the issues can be included in rules, but can also be included in policy, so OTC concurrence is requested on those, for example readiness, and ranking of the six considerations. Are the six legislative considerations considered equally or are they weighted?

Commissioner Morgan said guideline on what "life expectancy" of a project entails would be helpful. In addition, in reference to the final review committee, we need to consider that in the rural parts of the state, there ae not a lot of people to be involved in this process so we need to be considering the impacts of rural representation on the final review committee.

Director Garrett asked Chris Cummings to explain the legislative intent of the life expectancy provision and the reasoning behind changes to the final review committee and thoughts on how we will build a roster that is robust enough to navigate through the evolution of a project list so rural, and modal, areas aren't short representation. Cummings responded that "life expectancy" came from discussions that *Connect*Oregon is funded with20-year lottery bonds,

and there was not positive appetite for funding projects, such as bicycle or bus, that are less than 20-year life spans. However, this does not mean any project under twenty years should be excluded; the legislature gave this consideration so long term projects that aren't 20 years aren't automatically excluded. Scoring might be a way to address this.

Commissioner Lohman said he was concerned that short-term, but highly critical projects might get skewed by life expectancy considerations. There needs to be something in the "strategic" scoring to take that into account.

In terms of the final review committee, currently the chair of each ACT and the chair and vice-chair of each modal committee is asked to be a member of the final review committee. Legislators did not want applicants, with a stake in a project going forward, on the final review committee because the thought was they might use that position to lobby their project. Internally, staff believes there are enough people in the ACTs and modal committees that if one person has an application going to the final review committee, the chair or vice-chair could recommend someone else without direct ties to the application under consideration. The ACTs are broad enough that they should be able to cover the rural areas also.

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DMV Service Transformation Program Update
Agenda Item E3

The commission received an informational update on the Driver and Motor Vehicle Services Division (DMV) Service Transformation Program (STP), which will oversee business transformation and computer systems modernization at DMV. ODOT DMV Division Administrator Tom McClellan gave the update. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
In February 2012, the Oregon Legislature approved $500,000 to begin planning for the modernization of DMV computer systems. In July 2014, the department requested and received approval for the Oregon Transportation (OTC) to advance the 2015-2017 Service Transformation Program (STP) Policy Option Package. The full agency request for STP was included in the Governor's Request Budget. In January 2015, DMV Leadership informed the OTC that the Policy Option Package would be reduced from $32.8 to $30.4 million based upon an updated program schedule and staffing plan.

On June 24, 2015, ODOT's budget was passed out of the Ways and Means subcommittee. The budget includes $30,446,463 and 42 positions (29.91 FTE) to advance the first phase of STP. The budget also includes a Budget Note directing ODOT to "convene a legislative workgroup to oversee the near-term and the long-term strategy to modernize all aspects of the DMV Service Transformation Program." Members will include six legislators (three from the senate and house), the state chief information officer, a representative from the Legislative Fiscal Office, and

two private sector members from the Technology Association of Oregon. The Budget Note also directs ODOT to follow the Stage Gate project approval process and to report on the status of the program to the Joint Committee on Ways and Means during the 2016 Oregon Legislative Session.

Since the January 2015 OTC report, DMV has achieved the following readiness milestones:

- *Updated DMV's Policy Option Package and business case to provide legislators with the most current information about the program.*
- *Continued market research activities which included hosting detailed product presentations from potential solution vendors with experience working with other DMV agencies in other states.*
- *Obtained an approval letter for Stage Gate 1 from the state chief information officer on April 29, 2015. As DMV moves through the Stage Gate process, information about the program becomes more detailed and precise. For Stage Gate1 approval, DMV provided an initial business case, demonstrated strategic alignment and prepared an approved Policy Package. To move through Stage 2, DMV will develop a high-level project plan, a contract with a quality assurance vendor, and a request for proposal for a primary solution vendor. To move through Stage 3, DMV must have a vendor selected, a detailed project plan, and an execution budget that meets a variance standard of no greater than 10 percent.*
- *Achieved several readiness goals, which prepared DMV to commence the program quickly once funding is confirmed. Examples included finalizing a governance framework, hiring a vendor to solidify a strategic framework to guide STP decision-making processes, and forming an interim STP Leadership Team to develop key project management processes and deliverables.*

Looking forward, DMV will focus on the following activities over the next year:

- *Launch governance groups, including an ODOT Executive Steering Committee and an External Strategic Advisory Committee consistent with ODOT's STP Budget Note.*
- *Procure a business planning vendor to help DMV document current and future business needs. This information is a critical input to the scope of work required to procure a system solution vendor.*
- *Initiate procurement activities for a system solution vendor. DMV is working with the ODOT chief procurement officer to identify the best procurement strategy for selecting a system solution vendor. Compiling required information for a procurement scope of work requires at least 18 months before a vendor is selected—this is best case scenario. DMV is exploring options that may help expedite this timeframe; however, "doing it right" will be the guiding principle over expedience.*
- *Establish a program management framework. Components of a framework include: governance; communications; staff planning; procurement and contracts management; risk and issue mitigation; scope, schedule and budget planning and oversight; and change management. STP specific processes need to be defined and documented; and, reporting protocols and tools need to be developed.*
- *Leverage ODOT's Web-Reinvention Project to accomplish STP web milestones. One of the key deliverables identified for the 2015-17 biennium is a refresh to the DMV website content and a framework to support the on-line transaction center capabilities that will be a key part of STP.*

- *Advance DMV data design work to create new data standards and clean up existing data. This pre-work will help mitigate data migration risk as DMV moves into operations of a new system.*

DMV is committed to providing regular STP updates to the commission. DMV proposes updates twice a year, which would make the next update in January 2016.

Presentation:
Activities over the next year include launching governance groups, procuring a business planning vendor and systems solutions vendor, establishing a program management framework, and leveraging ODOT's Web Reinvention Project to accomplish STP web milestones.

Discussion:
Chair Baney asked if it's anticipated the 42 staff mentioned earlier is the majority of the staffing needed for the project as a whole, or is this part of the phasing as well? McClellan said the 42 staff mentioned would be the maximum for the project.

Commissioner Lohman said people are shocked with the cost of the STP and asked for a good way to explain all the sideboards of the project to assure success is maximized. Lohman asked for more information on the State CIO Oversight Office, and how that office is going to interact with ODOT to help assure the success of the project. McClellan said the oversight will look at risk mitigation and risk management through up-front analysis, quality assurance, and act as an independent third party to observe and provide reports on a regular basis, reports that must be reviewed and responded to. The project is held accountable and must address issues or problems noted.

McClellan said the Oversight Office will also review the business architecture, deliverables, and checking to assure other state's experiences and lessons learned are reviewed, which provides invaluable information.

Commissioner Lohman said when the contractor is selected to provide that third-party oversight, he would be interested in hearing from the contractor to get a tangible sense of what they will be doing and what their capabilities are.

Director Garrett noted that this oversight is something ODOT specifically asked for and requested. At that time, the state was in a climate with the shadow of Cover Oregon still laid upon us. From a legislative perspective, there was an understanding about the deficit there was with the computer tool at DMV, but also a significant anxiety in the ability to execute and deliver based on some past performance here. Working with the State's Chief Information Officer, and the discipline he brings to ensuring there is a foundational business case, an implementation plan, a project management discipline, and working closely with the Legislative Fiscal Office, helps ease some of that anxiety. The third-party neutral contractor is paid to identify risks and has worked well for us in the past, on the State Radio Project and the Road User Charge program.

Commissioner O'Hollaren said that, having experienced several other DMVs in other states, if our DMV is a "sick patient" we are still doing a great job at administering services. It's a very positive customer experience, but we have the unfortunate disadvantage that every member of the state legislature has an opinion about how DMV is doing. He asked how the motor voter is being received and who is benchmarked for best practices in terms of other DMVs. McClellan responded that ODOT is a member of the American Association of Motor Vehicle Administrators (AAMVA) which connects all state DMVs. Through the association with AAMVA, we continually measure against other DMVs and learn about their programs and service levels. There is no particular agency or state ODOT tries to benchmark against, but we are constantly looking at each other for new technology or efficiencies each other are able to achieve. McClellan is currently Region 4 President for AAMVA which is a great position to be in to hear about what's going on elsewhere.

McClellan said the motor voter registration legislation is very actively in the implementation phase right now. There are a few points to be worked out, but overall it is progressing well.

Chair Baney said this is an exciting new day and she thanked McClellan for his well-done leadership on the project.

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2015-2017 Passenger Rail Program Report
Agenda Item E4

The commission received an informational presentation about the Oregon Department of Transportation's 2015-2017 Passenger Rail program from ODOT Rail and Public Transit Division Administrator Hal Gard. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
The Oregon Department of Transportation works diligently to control rising costs, increase performance and ridership, and plan for future service improvements through acquiring long-term permanent funding for intercity passenger rail in Oregon. The goal is to enhance and promote an intercity passenger rail system that is easy to use, frequent, reliable, cost-effective, affordable, competitive travel times, and promotes access and transportation connectivity for all potential users, including the transportation disadvantaged.

The Amtrak Cascades is a fully sponsored intercity passenger rail service provided by Oregon and Washington. The service includes two daily roundtrips between Eugene and Portland, four daily roundtrips between Portland and Seattle, and two daily roundtrips between Seattle and Vancouver, British Columbia. Until 2014, ridership in the Amtrak Cascades Corridor steadily increased since the service began in 1994, with 2013's total representing a 45.3 percent increase since 2007 and a 255 percent increase since 1995. However, in 2014 we experienced a drop in ridership due to a reduction in on-time performance, a schedule change that did not reach the intended demographic, and a decrease in gas prices.

ODOT requested Amtrak analyze the Amtrak Cascades schedule and make recommendations to optimize ridership as the ridership potential anticipated from the 2014 schedule change was not realized. We are now in the process of analyzing a proposed schedule change. ODOT's goal is to implement the recommended schedule change in fall of 2015. ODOT will work with Amtrak to effectively market the service and provide public outreach for the new schedule to ensure the target demographics are fully aware of the change with the goal to optimize ridership as soon as possible

ODOT and the Washington State Department of Transportation (WSDOT) actively negotiated and worked with Amtrak, Talgo, Union Pacific Railroad, BNSF Railway and British Columbia Railway to control the rising costs of the Amtrak Cascades service. ODOT and WSDOT engage in an active partnership to co-manage the service. The two states co-negotiated their respective operating agreements with Amtrak thereby resulting in cost savings for both states. The two states also devote resources and time to membership in a national working group of states with passenger rail with the goal of using the collective power of the states to reduce Amtrak costs and fight for transparency. ODOT and WSDOT are engaging British Columbia to secure cost sharing from the Canadian government.

ODOT and WSDOT have applied Lean processes to evaluate opportunities to reduce costs within existing contracts and the states are exploring options to contract with other vendors. Various measures have been taken to increase sales and speed the sale process on the train. These efforts resulted in the best sales of 2014.

As with other forms of public transportation, passenger rail must be subsidized thereby requiring some level of government support. ODOT paid for the service through revenues from ticket sales, other non-highway fund revenues, and revenues generated by custom license plate fees that the Oregon Legislature dedicated toward train service. The resources available to ODOT to pay for the service are no longer adequate to cover the full costs due to a number of factors that have combined to increase the gap between revenue and costs. In order to continue providing passenger service in Oregon and continue to grow ridership and revenue, ODOT needs a permanent, long-term funding source.

Presentation:
Highlights of the presentation on the Oregon Passenger Rail program were:

- The Pacific Northwest Passenger Rail Corridor
- Partnerships:
  - Oregon and Washington pay for service and split the cost and revenue
  - BNSF and UP own the track
  - B.C. currently does not share in the costs
  - Amtrak operates the service
  - Amtrak and Talgo maintain the equipment
  - MTR Western and Amtrak Thruway operate bus service
- Intercity and long distance transit network

- Amtrak Cascades ridership has shown steady increases until 2014 when bad on-time performance issues on the Washington side resulted in the loss of riders and a schedule change did not result in the new ridership anticipated.
- The funding deficit is the result of lost federal subsidy in 2013, an increase in costs, ridership potential not realized, customer plate revenue down, and no long-term sustainable revenue.
- To reduce costs, ODOT will manage service as a corridor with WSDOT, develop partnerships, engage British Columbia to share costs, engage rail community to identify cost savings, and market services.
- Increase ridership and revenue through marketing, partnerships, promoting tourism, and targeting millennials.
- Long term funding need – Oregon's lack of dedicated, sustainable funding for rail investments is one of the top challenges facing both the passenger and freight rail systems in the state. The system is currently funded with Transportation Operating or "lawn mower" funds and through the sale of vanity license plates. These funds are not sufficient to maintain service.
- If rail service is let go, we will not get it back.

Discussion:
Commissioner Simpson commended the Rail Division for all the outreach it has done promoting the rail line. He said Amtrak has 20,000 followers in Instagram, while Cascade only has 500 followers and it would be beneficial to grow those numbers in terms of followers. Gard said that is an ongoing struggle because a lot of the advertising is paid through an advertising additive that goes through Amtrak and basically pays for the Amtrak brand. But making the distinction between Cascade and Amtrak is an ongoing challenge we've been working to change. People do not make an immediate distinction between long distance service and the Empire Builder, Starlight, and Cascade services.

Commissioner O'Hollaren asked if service volumes between the various locations have been broken down to look at options for paring down services to cut costs. Gard said the amount of ridership lost compared to the savings gained by cutting service doesn't wash out. In fact, ridership spikes when services are added, as opposed to services eliminated.

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Administrative Rule Modernization
Agenda Item F

The commission received an informational update from the Oregon Department of Transportation's Rail and Public Transit Division Administrator Hal Gard about the progress made to modernize the administrative rule regarding the transport of hazardous material transport by rail. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:
Movement of Bakken crude oil increased dramatically from 2006 to 2013 and a number of incidences, including Lac Megantic in Canada, raised public awareness and concerns regarding the safety of crude oil transport by rail. A final federal emergency order was released in May 2014 requiring railroads to report movement of Bakken crude oil shipments exceeding one-million gallons and when quantities change by 25 percent.

In Oregon, the governor ordered a rail safety study to review the state's preparedness for oil trains. The action items recommended include updating statutes, administrative rules and procedures.

In August 2014, ODOT's Rail and Public Transit Division established a Hazardous Materials Rule Advisory Committee to begin collaborating with tribal, federal, and state agencies, local elected officials, first responders, railroad companies, rail shipping customers and environmental stakeholder groups to modernize administrative rules addressing communications and notifications of hazardous materials transported by rail. The goals of the rule modernization include:

1. *Providing information to first responders when they need it to address emergencies,*
2. *Addressing the mechanism through which the public may seek to obtain commodity flow information submitted by the railroads,*
3. *Providing information to emergency response planning agencies, and*
4. *Gaining consistency with federal regulations.*

The Hazardous Materials Rule Advisory Committee met on three occasions, in August and November 2014 and January 2015. ODOT Rail convened separate meetings with state agencies, railroads, and 9-1-1 dispatch centers to explore specific areas of discussion. Direction was given to the Rail and Public Transit Division at the February 2015 OTC meeting to begin the formal rule making process. Since that time, actions have followed ODOT procedures for administrative rule adoption including filing the notice with the Secretary of State, sending notifications, and conducting public hearings. Public hearings were conducted in four locations—Pendleton, Bend, Klamath Falls and Keizer. At each hearing the rules were summarized and participants were invited to comment on the proposed language.

The rulemaking modernizes existing OAR and establishes roles and responsibilities for communications and notifications of hazardous materials transport by rail and for incident response. Additionally, the rules reestablish consistency with Federal laws and rules. The goals of the rule modernization include:

1. *Providing information to first responders when they need it to address emergencies,*
2. *Addressing the mechanism through which the public may seek to obtain commodity flow information submitted by the railroads,*
3. *Providing information to emergency response planning agencies, and*
4. *Gaining consistency with federal regulations.*

On May 1, 2015 the federal Pipeline and Hazardous Materials Safety Administration (PHMSA), in coordination with the Federal Railroad Administration (FRA), issued a final rule, titled "Hazardous Materials: Enhanced Tank Car Standards and Operational Controls for High Hazard

Flammable Trains (HHFTs)," in order to increase the safety of flammable liquid shipments by rail. This federal rule addresses tank car designs, speed restrictions, braking systems, routing, sampling and classification, and notification requirements related to certain trains transporting large quantities of flammable liquids. Since federal law preempts state law, ODOT with Department of Justice assistance, has assessed the new federal law and concluded that no changes are required in the proposed OAR to gain consistency with these new federal rules.

The public hearings were lightly attended with a number written comments being submitted. Comments included:

Comment	*ODOT Response*
1. *An immediate need for detailed information regarding the exact type and qualities of materials released to avoid contamination of water supply.*	*This concern is addressed with the new requirement of railroads providing 24/7/365 contact regarding incident response.*
2. *A need to establish positive and immediate contact with railroads to both report potentially harmful situations along a track and also for the railroad to quickly communicate the contents of specific cars.*	*Information access is being provided through the new rule language.*
3. *A desire for improved radio communications, adding language to the rule that would require the designation of a statewide railroad radio frequency to allow emergency responders and train crews to speak directly to each other during an emergency.*	*Establishing radio communication requires coordination between the railroad companies and the local, state and federal emergency response community.*
4. *A need for immediate access to information for first responders. Also the route information for oil trains, the frequency of their entry into locations, as well as the amount and type of material that is being transported.*	*Information access is being provided through the new rule language.* *Additional specificity regarding frequency, locations is pre-empted by federal rule.*
5. *A need for additional training and resources to adequately respond to oil train incidences.*	*This is outside the scope of the OAR.*
6. *A need for ODOT's proposed new rules to comply with the federal rules.*	*The state revised OAR is consistent with the federal law.*

The rule language has been modified slightly from what was distributed at the initiation of formal rule-making. ODOT Rail and Public Transit Division recommends removing the word

"before" in section 0020 (1). This modification provides clarification regarding the timing of information that railroads report. The commission will consider the proposed rule language for potential approval at the August meeting.

Presentation:
Hal Gard gave what he said would be the final update on the Hazardous Material Transport by Rail Administrative Rule update. Highlights of the presentation were:

- A brief background on the tremendous national increase in the movement of crude oil by rail, particularly during 2006 to 2013.
- This increase in shipment of this volatile crude oil (Balkan crude) caught most transportation departments by surprise and was highlighted by a few dramatic derailments.
- A 2014 Federal Emergency Order required railroad to report the movement of Bakken crude oil, in particular, shipments exceeding 1 million gallons or any quantity change of 25 percent or more. In response, a Rail Safety Study was ordered to review the state's preparedness. As a result of that study, it was recommended that Oregon statutes, administrative rules, and policies and procedures be updated, along with direction to increase the number of rail inspectors and work on retention of those inspectors who are lured away by the higher-paying railroads.
- Four new inspectors have been added, are actively going through training, and should be federally certified by the first of the year.
- To increase retention, we are bargaining to get a payline exception for any inspector that holds, and maintains that federal rail certification.
- The Hazardous Material Rule Advisory Committee met with various state agencies and interested parties to explore specific areas of discussion.
- The public hearing summary resulted in six comments coming forward which were all easily addressed.
- A review of changes to the rules.

Commissioner Morgan joined Chair Baney in thanking Mr. Gard and Karmen Fore of the Governor's Office for the work they did to define the issues and charting a path the commission was able to go down. We can stand in good stead and say that Oregon is now safer than it was before they started this effort.

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Consent Calendar

The commission considered approval of the Consent Calendar. ***(Background materials in Director/Commission/History Center File, Salem.)***

1. Approve the minutes of the June 18, 2015, telephonic Commission meeting in Salem.
2. Confirm the next two Commission meeting dates:
    - Thursday and Friday, August 20-21, 2015, meeting in La Grande.
    - Thursday, September 17, 2015, meeting in Salem.

3. Request approval to adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request to rescind two Industrial Rail Spur Fund grants awarded to Willamette Valley Railway by the Oregon Transportation Commission in the combined amount of $70,132 and request permission to maintain the current balance in the Industrial Rail Spur Fund and redirect those monies for on-going restoration of the rail line across the Siskiyou Mountains between Oregon and California belonging to Central Oregon & Pacific Railroad (CORP) in accordance with the original intent of the Industrial Rail Spur Fund. The Rail Spur program will conclude when the last of the funds are spent.
5. Request approval to amend the 2015-2018 Statewide Transportation Improvement Program (STIP) to add the U.S. 101: Scholfield and Chetco bridge replacement and rehab project in Region 3. The project will begin with the preliminary engineering (PE) phase only. This funding will come from Region 3 Financial Plan. The total estimated cost of this project is $100,000.

Action:
With no issues or conflicts identified by the commission members, Director Garrett asked for approval of the Consent Calendar. Commissioner Lohman moved to approve the Consent Calendar. Commission members unanimously approved the motion.

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Chair Baney adjourned the meeting at 12:23 p.m.

Tammy Baney, Chair	David Lohman, Member
Susan Morgan, Member	Alando Simpson, Member
Sean B. O'Hollaren, Member	Roxanne Van Hess, Commission Support