

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
December 19, 2012
Salem, Oregon**

On Wednesday, December 19, 2012, at 9:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a premeeting briefing session and reviewed the agenda in Room 149, the Mike Hollern Conference Room at the Transportation Building, 355 Capitol Street NE, Salem, Oregon. Highlights of the premeeting were:

A review of the agenda.

•
OTC 2012-2013 Work Plan – Jerri Bohard explained that unless there were issues that still needed work, we would bring the 2013 OTC Work Plan back in January on the Consent Calendar.

•
December Legislative Days Debrief – Betsy Imholt provided an overview of testimony the department provided to various legislative committees during the December Legislative Days.

•
Tarr LLC, *ConnectOregon* Project – Dale Hormann explained a request from a *ConnectOregon* IV applicant to assign the application and rights to receive grant to a new corporation, owned by same owner as Tarr LLC, in order to avoid unexpected tax consequences to the LLC. It would be the same project with same operation. The grant agreement would ensure that nothing would change from the project. This will come back before the OTC as a Consent Calendar item to approve assignment.

•
ODA Investigation – Matt Garrett provided a short summary of an incident in the summer of 2011 regarding crops affected by the department’s spraying herbicide near fruit crops in the Gorge. The department has received a letter from the Director of the Oregon Department of Agriculture levying a fine against an ODOT employee.

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The regular monthly meeting began at 9:30 a.m. in the Gail L. Achterman Conference Room.

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

Commission Chair Pat Egan
Commissioner Dave Lohman
Commissioner Mary Olson
Commissioner Mark Frohnmayer
Commissioner Tammy Baney
Director Matthew Garrett
Chief of Staff Dale Hormann

Trans. Development Div. Admin. Jerri Bohard
Communication Div. Admin. Patrick Cooney
Region 1 Manager Jason Tell
Region 2 Manager Sonny Chickering
Region 4 Manager Bob Bryant
Commission Assistant Jacque Carlisle



Chair Egan called the meeting to order at 9:37 a.m.



Director's Report



Motor Carrier 2012 Customer Satisfaction Survey

The 2012 Motor Carrier customer satisfaction survey demonstrated continued favorable public assessment of Motor Carrier Transportation Division's service delivery. A total of 670 customers of the Motor Carrier Transportation Division (MCTD) returned surveys this year indicating general satisfaction with staff and the service provided. Surveys were sent to 11 different customer groups and, among other questions, each group was asked to rate MCTD on six aspects of service - timeliness, accuracy, helpfulness, expertise, availability of information, and overall service. The vast majority responded favorably, with 88.5 percent of respondents rating Motor Carrier "excellent" or "good" in terms of these key aspects.



Transportation Development Enhance Funding

The application window for Enhance funding closed on November 27. The department received 312 applications for a total of about \$677 million -- about 4 times the amount of funds available. There were 95 applications in Region 1; 90 in Region 2; 39 in Region 3; 35 in Region 4; and 53 in Region 5. The applications have gone to the Area Commissions on Transportation (ACTs) and Metropolitan Planning Organizations (MPOs) for consideration and prioritization in construction of the 150-percent lists. Staff will provide an update to the OTC in February/March, and will bring the 150-percent lists in April.



Audit

Work was just completed on audits of selected financial accounts at ODOT as part of an overarching statewide financial audit. Director Garrett is happy to report to the Commission that the Secretary of State's Office did not identify any deficiencies in the ODOT internal controls over the financial reporting audited. There was one word change in a record.

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Governor's Balanced Budget

Director Garrett gave an update on the governor's balanced budget, specific to ODOT. He said the budget is moving from about \$3.82 billion up to a little over \$4 billion for the 2013-2015 biennium. Items of note that have shifted the cost are \$450 million for replacement of the Interstate Bridge (Columbia River Crossing Project), \$60 million for *ConnectOregon V*, and \$2 million of General Funds for senior and disabled transit.

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Public Comments

Public comments were received from Britta Franz, who spoke in support of "Rail Now." She suggested incremental work to move rail forward. There needs to be progress with rail, and there hasn't been any.

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Kuebler Road Project

The Commission considered approval of a request to advance an unsolicited proposal, received under the Oregon Innovative Partnership program (OIPP) process, for the Kuebler Interchange project in Salem to the next step in the unsolicited proposal process under the OIPP administrative rules. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The Oregon Department of Transportation (ODOT) received an unsolicited proposal under the OIPP administrative rules, OAR Chapter 731, Division 70, on September 10, 2012, that proposes an alternative to the ODOT Interstate 5/Kuebler Boulevard interchange project in Salem. The ODOT project is in the approved 2012-2015 Statewide Transportation Improvement Program (STIP) and ODOT expects to initiate the bidding process in January 2013. The proposal was submitted by a consortium of companies that included Retail Property Solutions (RPS) Development Company Inc., David Evans and Associates, Inc., and Kerr Contractors Oregon, Inc.

As an unsolicited OIPP proposal, the director appointed an Initial Review Committee (IRC) pursuant to OAR 731-070-0110. The IRC reported the results of its assessment of whether the proposal meets the minimum qualifications for an unsolicited proposal on October 22. If the decision is to move the unsolicited proposal forward with a preliminary approval, the next step in accordance with the administrative rule would be to provide public notice pursuant to OAR 731-070-0140 and to solicit competing proposals from other entities. A necessary result of moving forward would be postponement of ODOT's project and delay of the bidding for the STIP project, with the likely loss of the 2013 construction season.

ODOT Chief of Staff Dale Hormann introduced Oregon Innovative Partnership Program Manager Jim Whitty and Area 3 Manager Tim Potter.

The Commission asked if there had been conversation with the property owners, and if they received notice that public meetings were planned about the interchange. Tim Potter responded that ODOT had specific conversations with the property owner when we had progressed with the design, probably in the year 2010. The property owner was also approached about doing survey work on the property regarding historic impacts and wetland surveys.

Commissioner Lohman said his understanding is that if we proceed with the ODOT project now, we would be asking for bids in April. Tim Potter confirmed it was scheduled to go to bid on April 25.

Chair Egan said the OTC is looking for enough information to make a reasonable comparison between the two projects and asked if this could somehow be split in two. What is a reasonable timeline to receive a detailed proposal that is sufficient for the OTC to make a determination, and what is the latest the ODOT project design can be put out to bid and have it still be built in 2013?

Chair Egan said this was unprecedented in terms of looking at the scope of the project, and his general understanding of the statute this proposal comes in under was originally envisioned as public/private partnership, meaning that it was focused on everything from some of the work Jim Whitty does potentially, to tollway concepts and some of those kinds of things where developers put value on the table.

Chair Egan clarified that if the Commission accepts the recommendation, it will have many decisions to make in the future on this project, in part because there is not enough information to truly evaluate the proposer or determine the developer's interests. In terms of the process itself and the proposers, we haven't necessarily fully vetted them as we would for an overall RFP. He asked, if we don't proceed now, could the proposal come in under the overall project bid. The response was that it could, but it is a different design.

Chair Egan said part of what we are being asked to do, in addition to considering a new and novel concept, is effectively delay the original timeline of the original project by one construction season. It is a concern.

Public comment was received from Alan Roodhouse from RPS Development Company. He said his company is currently working on four different projects that involve work with ODOT. He said that during the process with ODOT that led to the submittal before the Commission, they tried to get more detail about scheduling and what their budgets look like, but they felt they weren't in a position to give that out. It's unclear to him how they feel they can get started right away in 2013 because he believes there is a stream relocation as well as a wetland mitigation on the property under contract. Another important point to consider is if the alternative is ultimately approved for the diamond design, we will end up

with approximately seven acres more of developable property, which, based on the current zoning direction, would be a retail project. That would involve a number of temporary construction jobs and permanent jobs, and a bigger tax base for the City of Salem. So there are benefits on the other side of the table.

Mr. Roodhouse addressed additional questions from the Commission.

Commissioner Olson clarified that Mr. Roodhouse is proposing ODOT fund the project in a normal fashion during construction with monthly draws. She said that usually when she enters into a contract, she gets a finished product that she then pays for, provided it complies with the contract. She asked Mr. Roodhouse if he would consider that, and if he could give us a commitment letter within 30 days, stating that he has that funding. Mr. Roodhouse said he thinks it is too preliminary in the process as he has no contractual rights to show the lender, but said he would be willing to work toward that, although he thinks 30 days is optimistic.

Chair Egan said the discussion demonstrates there are still a lot of questions. If we were to proceed, looking at the work ahead in terms of staff and outreach with all the partners and the traffic study impacts, he would want to know very clearly that the City of Salem and other partners are comfortable with whatever is ultimately produced in the proposal. Similarly, he would want to make sure we had compelling and unanimous support from the developer if we took it to the next level beyond what's being asked today, which is really a preliminary step. Also from the developer's side, we'd want to know more about the risk and the ultimate financial plan if the original proposed amount is exceeded. As we're giving direction to staff, there is a lot more we would need from the developer to be convinced to give a full green light. We need either a motion to go with the staff recommendation, or a motion to dispense.

Commissioner Frohnmayer moved to go forward with the staff recommendation, but we have to have it with the contingency that Commissioner Olson was talking about in terms of financing, which was that the proposers carry the costs of construction through completion. Commissioner Baney said she would support that. The difficulty for her is that the public process is an important one to participate in, and decisions in any development take a lot of time and involvement, whether it's infrastructure or not. She struggles with making a decision after a lot of process has occurred. But, she is also sensitive to the fact that we have a responsibility to be flexible where we can, and partner when it's appropriate.

Commissioner Olson said that obviously this process doesn't work for this type of project, and we are potentially delaying jobs. Jobs that we know would be created this year, which we know was a dominant concern of the legislature. If there was some way to shorten the process and have enough information that we can make a decision in time for this year's construction, she could support that. But, at this the 11½th hour, to look at potentially not providing jobs for another whole year, and having ODOT incur additional monies it otherwise wouldn't incur, is a concern. Does the list of answers we want back from the developers address this and can they provide those answers in a timeline that would allow

us to continue with construction this year? Is Mr. Roodhouse's consortium prepared to give a guaranteed price for this project, and stand behind any overruns? Mr. Roodhouse said the proposal says they would commit to a guaranteed maximum price on 30-percent design drawings.

Commissioner Lohman said he would vote yes to the motion to proceed on the ODOT project going to bid sometime in April, but he would not support the motion to go forward with staff recommendations with contingencies.

Chair Egan said that at this stage he considers this to be a procedural vote only. It is not an endorsement of project design, nor a statement that he is convinced that the various pieces of work that need to be done to go forward are present. Procedurally, given the stage we are in, and given the case that has been made, he supports the motion as it is.

To the motion to move forward with staff recommendations, with the contingency on financing that the proposers carry the costs of construction through completion, Commissioners Egan, Frohnmayer and Baney approved. Commissioners Lohman and Olson opposed.

(Portions of this agenda topic are not recorded in the minutes due to poor audio content.)

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TRIP97

The Commission received and participated in an informational panel discussion and presentation with partnership representatives to provide an update of the innovative and community based planning effort, **TRIP97**. (*Background materials in Director/Commission/History Center File, Salem.*)

Background:

*During the April 2012 Commission meeting in Madras, a panel of Central Oregon Area Commission on Transportation members and other community leaders discussed perspectives on the importance of U.S. 97, with a common vision of how to preserve, maintain, operate, and enhance the corridor as an asset to the communities and regions it serves. A highlight of the discussion was the introduction of a unique planning effort just getting under way for U.S. 97 in Central Oregon, called **TRIP97**, a collaborative effort among city, county, and state agency partners. Expected outcomes of **TRIP97** include:*

- Providing certainty and clarity for economic development by using a corridor approach to mobility with new and creative performance measures and evaluation tools, notably as related to the Oregon Transportation Planning Rule and the Oregon Highway Plan.*
- Diversifying funding opportunities, such as using small increments of funding from many different sources, creating leverage opportunities and tying funding strategies to broader community growth and economic development opportunities.*

- *An ongoing governance structure and agreed-upon practices, including a practical, intermodal, and best value evaluation approach to develop and prioritize transportation strategies, investments, and related land use decisions.*

Region 4 Area Manager Gary Farnsworth introduced panel members Deschutes County Public Works Director Chris Doty, Bend City Manager Eric King, and Kittleson & Associates Consultant Project Manager Wayne Kittleson.

Eric King started the presentation on **TRIP97**. Highlights of the presentation were:

- o Study area – U.S. 97 corridor from Madras to LaPine
- o Who is involved – a collaborative multiagency effort
- o Steering Team – city managers and county administrators - guides project course
- o Project Management Team – leads the technical elements
- o Diverse stakeholder interests – multimodal, land use, elected officials, economic development, and other agencies
- o Chartering effort that outlines goals
- o Performance measures – safety, maintenance, multimodal, reliability
- o Governance options – state, counties, cities, MPOs
- o Funding options – equity, existing sources, future sources

Chris Doty continued the presentation with a detailed look at performance measures:

- o Corridor measures and metrics – mobility, economy, safety, energy, environment
- o Segment measures and metrics – mobility, safety, alternative mode opportunities, accessibility, network redundancy/connectivity
- o Funding options
- o Next steps –
 - o November – January: application of performance measures
 - o December – February: identify projects and strategies
 - o February – March: develop specific funding plan
 - o March – April: develop governance options (including mitigation strategies)

Commissioner Baney said that as we talk about acceptable congestion, and talk about our freight partners, a couple of the concerns she has heard are about the potential unintended consequences of that congestion, and about how that relationship is going. What comments are we hearing, and how are we mitigating that? She asked Chris Doty to talk a bit about that partnership between local jurisdictions and managing expectations with that congestion potentially changing in the future. Chris talked about the outreach done so far through the website and interactive conversations. We are starting to venture into those conversations specifically with those stakeholders as they begin to see the performance measures discussed today. Gary Farnsworth added that the monthly meetings with the Area Commissions on Transportation (ACTs) are one of the avenues that will help keep a pulse on this.

Wayne Kittleson said that in addition to the performance metrics, one of the concepts that builds very nicely into this to inform decision makers, is to provide them not just with the numeric results of an analysis, but also with a qualitative description of the different user types within that corridor that are being affected by the project or land use action. It allows you to not just see the

numbers, but to understand them in the context of a pedestrian trying to cross a street, or a commuter traveling from Redmond to Bend.

In response to Chair Egan's question on what the Commission could do, Chris Doty said the biggest thing would be an open mind to think about what is being conceptualized.

Eric King noted that ODOT has been a very good partner with the City of Bend, so the foundation is there to keep building upon.

Chair Egan encouraged looking at what Washington State has done in terms of the administration of tolls. A visit to the WSDOT Tolling Division is very informative in terms of how well the technology works, which translates to public support.

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Bistate Toll Setting Intergovernmental Agreement

The Commission considered approval of the project Bistate Toll Setting Intergovernmental Agreement with Washington State Transportation Commission (WSTC). ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The Columbia River Crossing is a multimodal project to improve safety, reduce congestion, and increase mobility of motorists, freight traffic, transit riders and bicyclists along a five-mile section of the Interstate 5 corridor connecting Vancouver, Washington, to Portland, Oregon. The project will be funded by federal sources (transit and highway), state funds (Oregon and Washington), and tolls.

The project's funding plan is focused on making application for funds from the Federal Transit Administration in 2013. In order to meet this timeline, decisions need to be made this year about the toll setting structure.

In August 2012, the Oregon Transportation Commission (OTC) received a presentation about possible bistate toll-setting options. A similar conversation was held with members of the WSTC. Feedback from the Commissions was incorporated, and revised tolling governance options were discussed at a joint meeting of the Oregon and Washington Transportation Commissions in September 2012. This resulted in identification of items for further discussion by a bistate subcommittee of the Commissions, which met to develop a toll rate setting structure and agreement.

Both commissions have authority to set tolls in their respective states. Washington legislation designated the Columbia River Crossing project as an "eligible toll facility" in 2012 and authorized the Washington State Transportation Commission to enter into agreements with the OTC regarding the joint setting, adjustment and review of toll rates.

The attached intergovernmental agreement reflects a bistate structure for shared state responsibility and risk. Each state would sell bonds to support a joint toll-setting process. A bistate subgroup composed of representatives from both states' transportation commissions, departments of transportation, offices of the state treasurers and offices of the state attorneys general, has developed this agreement over the past months. The WSTC considered the agreement at its December 12 meeting. With approval from both commissions, the intergovernmental agreement will be delivered to the Washington State Legislature in January 2013. In accordance with the 2012 Washington legislation, the bistate toll rate setting agreement will be formally enacted 30 days after the 2013 legislative session.

Columbia River Crossing Deputy Project Director Kris Strickler introduced Federal Highway Administration, Oregon Division Administrator Phillip Ditzler. Mr. Ditzler said that, as of this morning, FHWA has made available \$3.3 million in interstate discretionary funds for the Columbia River Crossing project. It is a continued expression of support to the State of Oregon and to the project, and to all the hard work ODOT has done in managing this very challenging project. Chair Egan asked if the funds are specific to planning, and Mr. Ditzler explained that it's open to whatever the need is to advance the project.

Kris Strickler said we are continuing to work with the Coast Guard on elements and completion of the application. As part of both oversight committee discussions last week, a recommended overall vertical clearance height was determined at the 115-116-foot range, which is different from the previous 95-foot height. That will be part of the permanent application that goes to the Coast Guard.

Kris Strickler gave a presentation on bistate toll setting. Highlights of the presentation were:

- State tolling responsibilities
 - Each state's Department of Transportation is responsible for the planning, analysis and construction of all toll bridges and operating toll facilities.
 - The Washington and Oregon Transportation Commissions have toll-setting authority in their respective states.

- 2012 Washington State Legislation
 - Designated the Columbia River Crossing project as an "Eligible Toll Facility"
 - Authorizes the Washington State Transportation Commission to enter into agreements with the Oregon State Transportation Commission regarding the joint setting, adjustment and review of toll rates.
 - Any agreement between the two commissions is not enforceable until 30 days after the next regular legislative session.
 - If the Washington Commission has not entered into an agreement by December 31, 2015, this authority expires.

- Developing the bistate agreement
 - September – Joint Commission Meeting in Pendleton, Oregon
 - Discussed conceptual agreement on toll-setting structure and process
 - October/November – focused discussion

- Commission toll subcommittees worked with bistrate finance/legal staff to draft agreement language
- December – adopting agreement
 - 12/10 Washington Legislative Oversight Committee
 - 12/11 OR Legislative Oversight Committee
 - 12/11 WSTC approval
 - 12/19 OTC vote
- Bistate agreement overview
 - Joint toll-setting structure, in which commission maintains its existing rate setting authority.
 - A subcommittee of the two commissions will determine toll-setting details and advise each commission.
 - Rate setting will require a majority vote of each commission to be enacted.
 - Separate debt will be issued in each state for its share of the toll-backed portion of the project.
 - Both DOTs will enter into operational agreements.
- Next steps
 - Submit approved Bistate Agreement to WA Legislature before 2013 session.
 - DOTs conduct the traffic and revenue study/investment grade analysis – results due by end of 2013.
 - Work with the DOTs to develop public education and outreach plan – 2013.
 - Develop amendments if needed.
- Project schedule
- Long-term solution
 - Replace I-5 bridge
 - Improve safety and capacity in five-mile corridor and interchanges
 - Connect light rail to Vancouver

Chair Egan commented that this is an agreement to agree, essentially saying there is work to be done in setting the tolls, but we essentially pledge to finance that portion for the toll-backed bonds as a Commission, and setting the tolls in accordance with that. He asked for an update on where we are in the Traffic and Revenue Study process. Kris Strickler responded that a typical traffic/revenue analysis involves a two-two process; a model development that says where people are traveling based on their value of time, and then, as you determine where they're traveling and how frequently, there is an investment grade study of how much revenue that can generate based on specific toll rates. ODOT started this process in September and is well in advance of the bond sale. The next three major milestones are to validate a range of revenue in January, a report that goes to the legislature in Washington in June that identifies that range of revenue, and then the additional work and analysis that leads up to final investment grade numbers toward the end of the year.

Public comment was received from Cascade Policy Institute's Environmental Policy Director John A. Charles. Mr. Charles has long spoke to a hostile audience about the benefits of tolling if done properly, i.e., following the key principle that the revenue from motorists gets used only to benefit the people that use the toll facility. He said adoption of this agreement will "contaminate the entire well" by clearly showing that motorists will be used to finance the light rail boondoggle to nowhere. Public trust, that has been years in the making, will be instantly lost. Mr. Charles said he will no longer speak to the benefits of tolling and how the revenue can be used wisely, because we've shown that the governor can't be trusted and that he's happy to rip off motorists to finance nonroad projects.

Commissioner Baney moved to approve the Columbia River Crossing Project Bistate Toll Setting Intergovernmental Agreement. Commission members Egan, Olson, Lohman, and Frohnmayer unanimously approved the motion.

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I-5: Broadway/Weidler Interchange Facility Plan

The Commission considered a request for approval to adopt the Interstate 5: Broadway/Weidler Interchange Facility Plan and to amend the 1999 Oregon Highway Plan. The Oregon Transportation Commission (OTC) adoption will establish policies for the interchange areas to guide Oregon Department of Transportation (ODOT) and local governments to manage the interchange facilities. The City of Portland adopted a Resolution of Support (October 25, 2012) for the facility plan and will adopt it into the local comprehensive plans and transportation system plans. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The facility plan was prepared in coordination with the City of Portland as part of its North/Northeast Quadrant Plan. This Quadrant Plan is part of Central City 2035 (<http://www.portlandoregon.gov/bps/47907>), the City of Portland's effort to update the 1988 Central City Plan. ODOT worked with the city and Multnomah County to develop the facility plan to protect the function of the interchange and identify needed improvements.

OTC adoption of the facility plan will affirm its compatibility with local comprehensive plans, and will make the local actions already taken consistent with the state transportation plan. Adoption into the state plan also helps ensure local decisions are consistent with the Transportation Planning Rule (TPR), and requires local plans to be consistent with the state plan. Adoption by the OTC is the complementary action to support the legal proceedings and actions that local agencies have completed.

ODOT Region 1 Manager Jason Tell introduced the team that would give the presentation on the I-5: Broadway/Weidler Interchange Facility Plan: Region 1 Major Projects Manager Andy Johnson, Region 1 Sr. Major Projects Planner Todd Juhasz, and City of Portland Planner Karl Lisle. He said this is a planning effort that demonstrates a lot of the attributes the OTC is looking for ODOT to adopt if we are going to be successful in the future. That

includes looking at really cost effective solutions, looking at a multimodal approach to solutions, broad and meaningful public engagement, and multijurisdictional involvement. Highlights of the presentation were:

- Three themes – 1) fully integrated partnerships for land use and transportation, 2) heavy public involvement, 3) intermodal
- Project introduction, past planning history and studies
- Project purpose: address crash rates (the highest in the state) by improving the short weaving sections and interface with local streets, and to improve bike safety and mobility and increase pedestrian connectivity
- I-5 Broadway/Weidler facility plan highlights
- Benefits of the project to mainline:
 - More reliability (important to freight)
 - Shoulders allow disabled vehicles to be moved out of mainline traffic
 - Seismic upgrades to affected bridges
 - Projected 30-50 percent reduction in crashes

Jason Tell noted that the action requested includes approval of Exhibit B: Findings of Compliance with Applicable State Administrative Rules and Policies, and Compatibility with Regional and Local Plans. The Commission noted this.

Chair Egan congratulated Jason Tell for getting unanimous support and adoption from the Portland City Council, which is rare to begin with, but especially rare on a freeway project. He said there have been a lot of discussions about freight movement, and asked for a recap on those discussions. Andy Johnson responded that there were several different freight users involved on the committee, (affording a more statewide look at regional distribution.) There wasn't consensus on every item, but he said it's good we're doing something. There are some members that wish we had done more, and this plan addresses our ability to do that at a later point. The thought was to go forward with what there is consensus on, and at a later date if we still see those types of crash problems, we would address it at that point.

Commissioner Baney asked what was planned to manage expectations for the next steps. Jason Tell said early in the process it was decided that when the plan was adopted, the very next thing is to put together the political will and support it takes in the competitive funding environment to make this happen. One of the first to-dos for the new year will be to take the plan and have that very frank conversation about how we're going to do it. We're going to go for the whole thing, there's a lot of efficiencies to be gained, but we will also be ready to talk about phasing options if the dollar amount ends up being a challenge.

Chair Egan clarified that this is an amendment to the Oregon Highway Plan. The move is to amend the Oregon Weidler Interchange Facility Plan, including Exhibit B specifically.

Commissioner Baney moved to approve the agreement. Commissions Egan, Olson, Lohman and Frohnmayer unanimously approved the motion.

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Amend 2012-2015 Statewide Transportation Improvement Program (STIP)

The Commission considered a request for approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to increase funding on existing Pioneer Mountain/Eddyville projects and to add three new phases (projects) to complete the overall Pioneer Mountain/Eddyville project, in Region 2.

This request consists of five separate actions that will result in fully funding the completion of the Pioneer Mountain/Eddyville project. For efficiency and cost effectiveness, the project delivery process has been divided into separate phases (one through five) with each phase assigned its own project key number. The first two requested actions would amend the existing Pioneer Mountain/Eddyville phases, already in the 2012-2015 STIP, to increase funding as called for by the recently completed in-house design effort. The remaining requested actions would add three new phases to complete the overall project.

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

Background:

U.S. 20, the Corvallis to Newport Highway, is a major route connecting the Willamette Valley (Interstate 5 corridor) with the central Oregon coast (U.S. 101 corridor). The Pioneer Mountain to Eddyville project is intended to replace an existing 10-mile segment on mostly new alignment reducing the length to 5.5 miles. It is the last major project to upgrade the U.S. 20 corridor to modern safety and design standards. It will eliminate several hairpin turns that do not accommodate interstate trucks and cause concern for motorists traveling this corridor.

Highway Division Administrator Paul Mather introduced Region 2 Technical Center Manager Michael Long, and Derek Cornforth from Cornforth Consulting. Both gave brief reports on their background and role in the project. Paul Mather gave a brief history of the project and talked about some of the design-build lessons learned from this project.

Michael Long and Derek Cornforth gave a PowerPoint presentation on the project's activities. Highlights of the presentation were:

- 2012 construction contract
- horizontal drains at Cougar Creek
- Cut 6 rockslide and buttress to repair rockslide
- ground anchors
- cut slopes
- remaining work on new alignment
- five options considered
 - **OPTION 1:** Continue forward with accelerated design and construction to open road to traffic in 2015
 - **OPTION 2:** Monitor ground movement and ground water for a year, refine the design and delay opening the road to traffic
 - **OPTION 3:** Realign the curves on the existing U.S. 20 and abandon and rehabilitate site

- OPTION 4: Widen the curves on the existing U.S. 20 and abandon and rehabilitate site
- OPTION 5: Abandon the new alignment and rehabilitate site
- Comparisons of options and cost

There was general discussion and questions from the Commission on various aspects of the project.

Chair Egan took public comment. Comments were received from:

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David Gomberg, District 10 Oregon State Representative Elect, spoke very strongly in support of the project moving forward, and endorsed Option 2 which, will have economic and safety benefits.

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Bill Hall, Lincoln County Commissioner, provided written and verbal comments in support of the project, saying the reasons for the project remain as valid in 2012 as they were in 2002 and before. The economic health and safety of the residents and visitors to the central coast depend on it. He urged the Commission to proceed with the project under Option 2.

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Onno Husing, Lincoln County Planning and Development Director, spoke in support of the project and Option 2, saying the economic and environmental benefits are so unbelievably positive. He said the project is so much bigger than the road between Corvallis and Newport. It's all bound together by the promises, commitments, and relationships that built the OTIA package getting through the Capitol.

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Don Mann, Port of Newport General Manager, provided written and verbal comments in support of Option 2. He asked, "if Option 2 is approved, does the ODOT Administration and this Commission feel confident that, based on the proposed funding strategy which includes amendments to the STIP, that we can count on ODOT's original commitment to local agencies to participate in the project's development and selection process?"

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Sharon Kanareff, Georgia Pacific, said the project is not only critical to the long-term sustainability and competitiveness of Georgia Pacific's facility, but it's also critical to the safety of our families, visitors, and others who drive the highway. Georgia Pacific supports Option 2. Completion is the only option, so Option 5 is not acceptable.

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William Bain, of Newport, said completion of the project is the only option. His only concern with Option 2 is that we make sure that the funding is committed. The

completion of this project is paramount to the economic stability and growth in the central coast area.

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Ron Brean, City of Yachats Mayor, spoke in support of Option 2.

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Jim Voetberg, Newport City Manager, said completion of this project is critical to the safety of Newport's citizens and well as for the long-term economic viability of the region. Newport supports Options 1 and 2, and does not believe Options 3, 4 or 5 are viable.

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Ralph Grutzmacher, City of Toledo Mayor, spoke in support of the project and Option 2.

Commissioner Frohnmayer said the project has gone from being a \$130 million project to a potentially \$400 million project with risks attached. This makes him very nervous. The issues of economy and safety are both of critical importance, and we can't wait on addressing the safety of the corridor. Part of his concern with this project is if, in another three years, some unforeseen additional piece of information comes up. We need to make sure we do a very, very full analysis of the existing corridor, and apply ITS technologies that didn't exist when the original project was conceived, before moving forward. Three years is another potential 40-50 accidents. At the same time, we can apply and take a deeper look on the technology side to see if there was a way to solve some of the economic issues as relate to trucks getting through.

Paul Mather clarified that if the Commission decided to move with Option 2, staff would be prepared to come back in January with a letter specifically outlining the action requested to keep on path. Should the Commission want to move with any of the other options, it would take a little longer to compose the letter.

Commissioner Lohman said money matters. If we were talking about Option 2 costing a billion dollars, as much as he thinks this is an important project to get done, he'd have reservations. And he'd have them on behalf of the rest of the state who aren't here to articulate their concerns, because the extra dollars going into the project, whether a billion or \$200 million, come from somebody else. Sometimes projects go awry, and it's no one's fault. But when that happens, the best thing is usually to fix it. But that means the whole state chips in and tries to make it right. These are not a community problem, they are a state problem.

Commissioner Olson said she hoped, that when staff report to the Commission next month, there would be a plan of warning signs in terms of the geological issues. She does not feel anyone on the Commission is willing to move ahead if there's any geological questions or issues. If it's not done right, a lot of money could be spent in future years on maintenance issues.

Commissioner Baney said these dollars mean limited resources moving forward. She wears a statewide hat, and there is consideration for equity across the state in this particularly instance. She would like to boot Option 5 as a consideration. There is a cost associated with going

forward and a cost associated with not going forward. She would like to honor the investment the local communities have put into the project, and the safety impact is something she can not let go of. She supports Option 2.

Chair Egan said there is a reason this project had momentum to begin with, and is before us today. It's what we heard in the testimony today; it's a bad highway and needs improvement. The concern is that it's a coast range, there's a lot of water, and we don't have a good strong feel going in. Everyone wants data. Patience and time are our friend, because from a safety outcome the worst outcome is to build it and have a horrible rockslide. Everyone seems to support Option 2, giving us more data, more direction, and a better sense from a cost standpoint. We need to proceed with this project, but we want to do it right and we want to know how much it is going to cost to go forward.

The Commission did not move to approve amendment of the 2012-2015 STIP Option 1, and asked Paul Mather to come back in January with a proposal for Option 2.

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Oregon Least Cost Planning (OLCP) Methodology Development Project

The Commission received an informational presentation on Oregon Least Cost Planning (OLCP) Methodology Development Project status, and discussed if it concurred with project direction. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The 2009 Jobs and Transportation Act directed the Oregon Department of Transportation (ODOT) to develop a least cost planning methodology to assist transportation decision-making for plan and project development at the state and regional levels. ODOT conducted initial research into other transportation agencies' similar efforts and then divided its methodology development project into three stages. ODOT has been working through these stages with the help of the Statewide Transportation Improvement Program (STIP) Stakeholder Committee (SSC) and technical work groups. Stage 1 developed a framework for what OLCP (now called Mosaic: Value and Cost Informed Planning) should include. Stage 2 developed the Mosaic analysis tool and its recommended process for use and a draft User Guide. Stage 3 is planned for 2013 and will include implementing the new methodology and analysis tool in a planning test case.

ODOT presented an initial discussion paper to the OTC in May 2010, and presented Mosaic development updates at the January and July 2011 and March 2012 meetings. Today, ODOT will present the products of stage 2 of Mosaic development, and briefly discuss plans for stage 3. Products from stage 2 include a Mosaic analysis tool ready to be beta-tested, a new website that integrates its developing user guide, and components of that guide.

The user guide and website have introductory and overview information to help viewers understand the purpose of Mosaic. They will also have instructions and advice for using the Mosaic tool and process as well as technical documentation for any interested parties. The Mosaic analysis tool will be available for download from the website. The tool consists of a

series of worksheets within an Excel 2010 workbook. The series of worksheets walks through all tasks in using the tool and provides some information and resource links within the workbook.

The Mosaic tool and process are designed to work within the transportation planning process, using data developed for that process, and to provide additional and thorough analysis of decision options in the form of different possible investment “bundles.” Bundles in Mosaic consist of various transportation projects and programs that are being considered to achieve the area’s transportation vision, such as road, bicycle and pedestrian projects, investments in operations, transit, or demand management programs, etc. Use of the tool and process will result in benefit-cost evaluation information and a weighted “MODA” (for multi-objective decision analysis) score for each bundle. MODA is used for indicators that do not have sufficient data and supporting research to effectively express in dollar terms. This information will help decision makers have a much clearer understanding of each bundle’s likely effects on the nine categories of transportation impacts: mobility, accessibility, economic vitality, environmental stewardship, land use and growth management, livability and quality of life, funding and finance, safety and security, and equity.

Next Steps

Stage 3 of Mosaic development is planned for 2013 and will include testing the Mosaic process overall, the tool, and the information provided in the user guide to learn what works well and what needs to be adjusted to work well and also to learn how Mosaic can best be applied and improved in the future. ODOT is working with Metro and stakeholders to find an appropriate planning-level test case for Mosaic to study and will work with ODOT and Metro staff and stakeholders to complete testing activities. After testing, ODOT expects to make the tool available through the website to others who may be interested in trying it out in their transportation planning processes.

Transportation Development Division Administrator Jerri Bohard introduced STIP Stakeholder Committee Chair and OSU College of Engineering Professor Scott Ashford, CH2M Hill Transportation Planning Director Sam Seskin, and ODOT Program and Economic Analysis Unit Manager Robert Maestre.

Sam Seskins lead the presentation to the Commission on the Least Cost Planning Methodology Development Project. Highlights of the presentation were:

- Legislative definition of least cost planning
- ODOT’s goals: meet legislative definition with Mosaic; enable fair and transparent analysis of many different kinds of solutions; and create useful products for use during planning process to help decision making
- Mosaic fits into the planning process by helping evaluate solutions and make recommendations
- Mosaic is a web-based resource to inform technical staff, citizens, and policy makers:
 - for use in transportation planning decision-making
 - to evaluate the social, environmental and financial costs of benefits of transportation plans

- is scalable based on a jurisdiction's transportation staff, available data, and particular needs
- establishes a common set of measures
- offers a transparent record of the evaluation process
- Mosaic involvement: the STIP Stakeholder Committee, a Work Group of affected ODOT and Metropolitan Planning Organization staff, technical experts for each analysis category, and the Tool Team, a small diverse team of possible users with technical experience
- Accomplishments to date
- A tour of the website

Commissioner Baney asked for a link to the Mosaic. Jerri Bohard said it would be provided.



Driver License and Identification Card Issuance Standards

The Commission received an annual report on the effects of implementing driver license and identification card issuance standards, as the Oregon Legislature required in HB 3624 (2008). ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

During the 2008 Special Legislative Session, the legislature enacted documentation and identity verification requirements with the passage of Senate Bill (SB) 1080. The legislation placed into statute the requirements contained in the Governor's Executive Order 07-22 to expand the requirements to all applicants, and add several new requirements. A companion bill, House Bill (HB) 3624, required the department to submit annual reports to the Legislative Assembly on specific impacts (changes in the rates of uninsured and unlicensed drivers, number of accidents, etc.) of SB 1080, beginning in January 2009 and ending January 2014.

DMV Program Services Manager Lana Cully reported to the Commission on behalf of DMV Division Administrator Tom McClellan. She said the fourth annual report to the Legislative Assembly shows that it has cost \$840,000 to implement SB 1080, of which 77 percent was covered by federal grants. Due to Oregon's eight-year license renewal cycle, it is likely that an increasing number of drivers will be unable to renew their driver license because they no longer qualify under the requirements of SB 1080. As a result, it is expected that any change in the rate of uninsured or unlicensed drivers may be gradual over the eight-year period.

Lana Cully said that at this time, there is still no apparent impact on unlicensed driving, but there was a slight increase in uninsured drivers, from six percent in 2011, to seven percent in 2012. No concerns have materialized as of yet, but there are still three-and-a-half years before the full eight-year renewals expire. A final report will be given to the legislature January, 2014.

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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 November 14, 2012, Commission meeting in Salem.
2. Confirm the next two Commission meeting dates:
 - Wednesday, January 16, 2013, meeting in Salem
 - Wednesday, February 20, 2013, meeting in Salem
3. Request approval to adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request approval of the following Oregon Administrative Rules:
 - a. Repeal of 734-073-0090 relating to the maximum length for a bus.
 - b. Adoption of 735-001-0062 relating to providing inmates a driver license or ID card before release.
5. Request approval to acknowledge receipt of the *Immediate Opportunity Fund Annual Report* for State Fiscal Year 2012.
6. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to cancel the U.S.101 at 1st St, 3rd and 4th Signals (Tillamook) project and add the Oregon 202: M.P. 18.8 (Buttercup Slide) project.
7. Request approval to redistribute \$132,000 Industrial Rail Spur Funds to the City of Madras to upgrade and rehabilitate a portion of the rail spur serving the city-owned Madras Industrial Park.

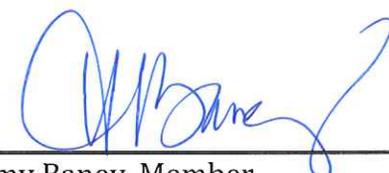
Commissioner Olson moved to approve the Consent Calendar. Commissions Egan, Baney, Lohman and Frohnmayer unanimously approved the motion.

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Chair Egan adjourned the meeting at 3:39 p.m.



Pat Egan, Chair



Tammy Baney, Member



David Lohman, Member



Mark Frohnmayer, Member



Mary Olson, Member



Roxanne Van Hess, Commission Support