

**OREGON TRANSPORTATION COMMISSION**

**Minutes of the Regular Monthly Meeting  
July 18, 2012  
Keizer, Oregon**

On Wednesday, July 18, 2012, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a premeeting briefing session and reviewed the agenda in the Claggett Room A of the Keizer Community Center, Keizer City Hall, 930 Chemawa Road, Keizer, Oregon. Highlights of the premeeting were:

•  
A review of the agenda.

•  
Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) Update – Travis Brouwer provided a summary of the recently passed federal legislation, known as MAP-21, and the changes the legislation appears to make in programs and funding for federal programs.

• • •

The regular monthly meeting began at 9:45 a.m. in Iris Room B.

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 Mark Frohnmayer  
Commissioner Tammy Baney  
Commissioner Mary Olson  
Director Matthew Garrett  
Chief of Staff Dale Hormann  
Central Services Deputy Director Clyde Saiki  
Communication Div. Administrator Patrick Cooney  
Highway Division Administrator Paul Mather

Trans. Development Div. Administrator Jerri Bohard  
DMV Division Administrator Tom McClellan  
Rail & Interim Public Transit Administrator Hal Gard  
Region 1 Manager Jason Tell  
Region 2 Manager Sonny Chickering  
Commission Assistant Jacque Carlisle

• • •

Chair Egan called the meeting to order at 9:45 a.m.

• • •

## *Director's Report*

### *Employee Recognized – Troy Elverfeld*

Director Matt Garrett recognized Troy Elverfeld, ODOT District 4, Albany Maintenance Section, who is credited with rescuing an injured man from a submerged vehicle following a five-vehicle crash along Highway 20 east of Albany. A Chevrolet pickup had careened off the roadway into a bordering pond where it became completely submerged. Troy saw smoke from the crash and went to the scene. He took a metal rod from a backhoe and dove into the water to the pickup, where the occupant was still inside with the windows rolled up. After several tries, he was able to break the window and pull the driver out to safety.

Director Garrett said the dictionary defines a hero as one who shows great courage. More times than not, it is ordinary people who engage in extraordinary acts of bravery and courageous conduct. Troy Elverfeld is one of those people.

Director Garrett read, and then presented Troy a framed copy of a letter from Governor Kitzhaber. He asked the Commission and all in the audience to join him in offering a much-deserved salute to this true hero.

### *Transportation Building Update*

Director Garrett said a substantial completion of the building remodel was achieved on May 1, 2012, when Hoffman Construction turned the building back to ODOT. Building was completed on schedule and under budget, and the project exceeded its goal for participation by minority and women owned businesses. The success of the project is due to the partnership between Kevin Cady of Hoffman Construction, Stuart Colby of SERA Architects, and ODOT staff Gary Will, Virginia Carey, Bryant Bischof, and Paula Harr.

The goal for the project in terms of sustainability was a Gold LEED (Leadership in Energy and Environmental Design) certification. However, once all points have been totaled, there may be enough for a Platinum LEED certification.

The first group of staff will move back into the T-Building on July 27, with the move complete by the end of August. The first OTC meeting in the new Commission room will be in November.

### *Oregon Bike and Pedestrian Advisory Committee and Transportation Enhancement Committee*

Director Garrett recognized the Oregon Bike and Pedestrian Advisory Committee and Transportation Enhancement Committee for their time, talent, and dedication to bike and pedestrian issues in the State of Oregon. He thanked the two committees that advise the OTC and ODOT staff, without whose leadership Oregon would not be a recognized leader in the country for biking and walking. Today, the committees are meeting to deliberate over the 160 applications received for the Joint Bike/Ped

Transportation Enhancement grant program. This is ODOT's first effort to leverage funding streams with the goal of building better bike and pedestrian projects.

•  
*APWA Award*

Director Garrett recognized Michele Thom for her leadership as a member of the Transportation Enhancement Committee, and as Local Agency Liaison at Region 1, for an award-winning project that was very complex and required a lot of persistence to deliver. The *Banks-Vernonia Trail and Trailhead* project won an American Public Works Association (APWA) award for transportation projects under \$5 Million.

The total project cost \$3.9 million from five different funding sources. It included road realignment, a new rail crossing, bioswales and stream restoration, in addition to the TE-funded train extension, trail bridge, and trailhead facility to complete the missing section of trail into the City of Banks.

Director Garrett gave special recognition to two members of the TE Committee who have served 10 years on the committee, Pat Ehrlich from the Association of Oregon Counties, and John Dorst from the League of Oregon Cities, City of Gresham.

•   •   •

Public comment was received from:

•

Britta Franz said the Salem/Eugene area needs an alternative to the fact that people are absolutely chained to their vehicles. There is no dependable service the population and workforce can consistently travel to and from Portland, both directions, at any given time. A partnership between ODOT, Oregon, and the existing railroad is necessary. She urgently asked the Commission to support development of the Cascadia Corridor.

•

Ray Bursden, Strategic Economic Development Corporation (SEDC) President said about 30 thousand people commute on I-5 from Eugene to Portland daily. A rail system that provides dependable, on-time service for ridership (morning and afternoons on the Cascade Corridor), would open up a lot of economic development opportunities.

•   •   •  
*TriMet*

The Commission received an informational overview of the TriMet and Oregon Department of Transportation's partnership and shared challenges from Region 1 Manager Jason Tell (*Background materials in Director/Commission/History Center File, Salem.*)

***Background:***

TriMet is a municipal corporation providing public transportation for the urbanized areas of the tricity metro area around Portland. TriMet operates a comprehensive transit network that includes a 52-mile MAX light rail system and 14.7-mile Westside Express Service Commuter Rail, 79 bus lines, and paratransit service for people with disabilities.

TriMet is a national leader in providing transit service. With more than 100 million annual rides, it carries more people than any other U.S. transit system of its size. Portland is the 24<sup>th</sup> largest metro area in the U.S., but transit ridership is 7<sup>th</sup> per capita. More people ride TriMet than transit systems in larger cities, such as Dallas, Denver and San Diego. Weekly ridership on buses and MAX has increased for the past 23 years, except for one year, and TriMet ridership has outpaced population growth and daily vehicle miles traveled for more than a decade.

Jason Tell started the discussion by introducing representatives from TriMet and ODOT who participated in the overview presentation:

- Neil McFarlane, TriMet General Manager
- Alan Lehto, TriMet Director of Policy and Planning
- Aaron Deas, TriMet Government Affairs Manager
- Hal Gard, ODOT Rail and Interim Public Transit Division Administrator

Neil McFarlane led the PowerPoint presentation. Highlights of the presentation were:

- TriMet and ODOT have shared a long and successful partnership.
- TriMet's main current undertaking is the Portland-Milwaukie Light Rail Transit project. It is also working to help advance the Columbia River Crossing project. The southwest corridor (Highway 99W) will be the next priority for Metro's high-capacity transit study.
- Services offered by TriMet.
- Regional trends in growth rates.
- Ridership and system development.
- Interaction with state highways - MAX's role in helping state highways in the Portland region by creating more room for freight and commuters in the corridor, and less impact on the physical highways and bridges.
- The need to grow transit – goals that TriMet is unable to meet
- Funding challenges: down economy, growing elderly population, lack of state funding, uncertain federal funding, and elimination of BETC (Business Energy Tax Credit) funding.
- Key structural funding issues: labor health care costs; transit funding governed by Oregon constitutional limits, payroll tax limitations, and no sales tax.

Commissioner Lohman asked what the ideal situation would be for funding transit. Neil McFarlane responded that some combinations of investments by employers and employees, through payroll and wage taxes, have been good models in past situations. Transit agencies across the nation are funded primarily by sales taxes, and many also have access to gas taxes and other road-related fees. Transit agencies in Oregon have

neither, and rely on a mix of other revenue sources including payroll taxes in some areas, property taxes, fees, fares, and limited state and federal grant funds. There was general discussion about payroll, wage, and sales taxes, and what some of the other states are doing.

Commissioner Lohman said he is encouraged to see the growth of the light rail system, which as it grows, will become the backbone of the system. Light rail is the only way to continue to meet capacity in areas where there is not room or money for expansion of the existing system.

Commissioner Olson asked what the growth capacity of the transit system is. Neil McFarlane said there is little room to grow with TriMet's current operating dollars. However, if there were more operating dollars, there is substantial room to grow, especially in additional service on each of the light rail lines.

Commissioner Olson asked how TriMet measures up to other comparable transit systems in terms of security. Neil McFarlane explained that TriMet's 62-member Transit Police Division is composed of members of 17 different city police forces, as well as the three counties, who are assigned to four different precincts so they actually own territory within the region. This is a very successful model because of the great cooperation and coordination between the jurisdictions.

In response to a question from Commissioner Olson about technology, Neil McFarlane talked about an application in place called "PDX Bus" that shows which bus(s) to take to get from one destination to another.

Director Matt Garrett acknowledged Neil McFarlane's leadership of TriMet, and expressed his appreciation for Neil's approach, his integrity, and the good partnership between TriMet and ODOT.

Chair Egan closed the discussion by thanking the group for the opportunity to hear about TriMet.



### *Lane Area Commission on Transportation Annual Report*

The Commission received an informational presentation on, and considered approval of the Lane Area Commission on Transportation (LaneACT) annual report, pursuant to Highway Division Directive HWY ORG 01-02. The first LaneACT report is required to show consistency with the policy, and the ACT will subsequently present a biennial report to the Oregon Transportation Commission (OTC). *(Background materials in Director/Commission/History Center File, Salem.)*

Region 2 Manager Sonny Chickering introduced ODOT Area 5 Manager Frannie Brindle, and LaneACT Chair Bob Hooker.

**Background:**

The Commission chartered LaneACT in November 2010. LaneAct conducted its first meeting in February 2011 and meets monthly. LaneACT completed a wide array of tasks within its first year. While the Bylaws and Directive HWY ORG 01-02 require a biennial report, members of the ACT opted to present its successes upon its one-year anniversary of the first LaneACT meeting. The annual report describes LaneACT's procedures and accomplishments during the past year, and demonstrates how it meets the OTC's "Policy on the Formation and Operation of Area Commissions on Transportation (ACTs)" as well as the Highway Division directive that implements the policy.

Bob Hooker gave a brief overview of LaneACT. Highlights of his comments were:

- History of creation of the ACT
- Membership and the selection process
- Coordination of activities
- Work Plan
- Public involvement and meeting notice
- Operational structure
- Technical assistance
- Key work efforts accomplished since February 2011
- Staffing
- Decision-making process
- Biennial report

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

1. What does a successful transportation system look like in your community?
2. Recognizing the financial issues that are affecting transportation, what are the priorities for expending these limited funds? What are some of the opportunities and what are some of the threats to these priorities?
3. What has been the economic impact of the transportation investment made in Lane County?
4. How do the roles of the ACTs and advisory committees change in view of Governor Kitzhaber's direction to the Commission? What do you see as some of the opportunities and some of the difficulties in changing the model?

*Governor Kitzhaber's six principles to OTC (from Governor Kitzhaber's address to the OTC in August 2011)*

- *Do we have the right group of individuals at the table at the beginning of the process to define the problem and solution together?*
- *Should ODOT manage or own the facility or would it be better managed for a diverse set of outcomes by another agency or jurisdiction?*
- *Are we creating programs that do not simply invest in the future of the transportation system but meet a multitude of community objectives?*
- *Does each decision move us closer to a sustainable, safe, low carbon, multimodal system?*

- *Does the decision maximize benefit for the least cost under the limited resources?*
- *Finally, does this decision or policy move us closer to finding a more rational transportation funding mechanism for the future?*

Commissioner Baney asked if LaneACT anticipates meeting on a regional basis. Bob Hooker responded that there has been discussion on that point, and letters were sent to other ACTs inviting them to meet. Frannie Brindle said LaneACT had met with the Cascade West ACT for an informal meeting to discuss bylaws, how the membership was constructed, etc. LaneACT will continue to try and reach out to other ACTs.

Bob Hooker said a successful transportation system would support the economy, support and implement safety, be multimodal, have regional support, and fits the needs of the community as a whole. It would need a long-term infrastructure plan with regular funding sources to ensure transportation goals are met well into the future. It should plan for the next 30-40 years, while still meeting today's needs, and be supported throughout the community.

The first priority for expending funding is to support the economy through efficient movement of people and goods. The second priority would be to support and implement safety. The third spending priority would be maintenance of existing systems. The opportunities would be to focus more on needs versus wants, and to focus on the basics. Good planning could assist in this priority development. The challenge is trying to find a balance between the specifics of how to select projects that best prioritize the limited funds. We need to be aware of changes that affect those already burdened and we may need to rethink basic assumptions, like does everything have to be done to a hard standard or is there some flexibility?

The new approach, with ACTs being involved in more than just one piece, will be very beneficial because it allows the ACTs to think outside the box in terms of putting the whole project together instead of pushing for one little piece.

Bob Hooker talked about the many positive economic impacts of transportation investments in Lane County. Accommodating and realizing the need to invest in future trends is key. Other technologies, such as charging stations, provide options for the traveling public and show the state's desire to be innovative in how it operates.

The ACT will have to have a multimodal focus in response to the changes in keeping with the governor's directive. Opportunities will allow the ACT to think more whole in project selection and consider that LaneACT serves the transportation needs of the rural community as well as urban areas. LaneACT feels it is working to keep in line with the governor's principles by having the right people at the table.

The question of whether ODOT should manage or own the facility, or would it be better managed for a diverse set of outcomes by another agency or jurisdiction, is an ongoing discussion that still has more questions than answers. Which facility are we talking

about? What are the community needs and vision for the facility? More information is needed before LaneACT can make any kind of a recommendation.

Chair Egan said operations, and the efficiency of the operations is critical, but you can't do it if you don't have the funds. The OTC is looking to the Area Commissions on Transportation for not only good ideas, but also support across the political spectrum. He asked if LaneACT has had an opportunity to discuss revenue overall. Sonny Chickering said there has been some discussion, but it has been more a process of education of the ACT members because this ACT is so new. This group has spent 8-10 months getting up to speed and understanding what the issues are, and are waiting for direction and are ready to move forward.

Commissioner Frohnmayer said we have real revenue problems across the board on the transportation system. He said we need to ask the question what does the ideal funding system for the transportation system look like, and really engage the ACT in this discussion if a substantive change is to be made across the state. The ACTs need to be advocates and champions of that change.

Commissioner Lohman said LaneACT has done a good job of finding representation from the different modes. Bob Hooker explained the bi-laws require four members as designated stakeholders, one each representing trucking, rail, bike and pedestrian, and environmental land use. The other four-six stakeholders can represent any interest, like disabilities, business interests, Lane Transit District, etc.

Chair Egan closed the discussion by thanking ACT members for their hard work and for their participation in this important discussion.

Commissioner Baney moved to approve the first annual report from LaneACT. Commission members unanimously approved the motion.



### *Draft Statewide Transportation Strategy*

The Commission received an informational presentation on the Draft Statewide Transportation Strategy from Transportation Development Division Administrator Jerri Bohard and Interim Transportation Planning Unit Manager Amanda Pietz. A Public Hearing was conducted. (*Background materials in Director/Commission/History Center File, Salem.*)

#### ***Background:***

At the May 16, 2012, Oregon Transportation Commission meeting, the Commission approved the release of the Draft Statewide Transportation Strategy (STS) for public review and comment. The Commission is responsible for adopting the STS, as delineated in Chapter 85, Oregon Laws 2010.

Jerri Bohard introduced Amanda Pietz who will provide a short presentation on the status of the public comment process. Highlights of the presentation were:

- The STS identifies the most promising approaches to greenhouse gas reductions
- Public hearings and outreach by survey, website, local government, committees, newsletters
- Presentations were given to advisory committees, planning organizations, business alliances, port associations, Area Commissions on Transportation, tribal groups, other state agencies, the Global Warming Commission, the Federal Highway Administration, and the Environmental Quality Board.
- Highlights of comments received:
  - skepticism about climate change
  - confusion on how some strategies could be applied in rural areas
  - economic impacts
  - keys to implementation
  - messages to convey

Chair Egan called the Public Hearing to order: Public comment was received from:

•  
Sid Leiken, Lane County Board of Commissioners Chair, and representing the Central Lane Metropolitan Planning Organization (MPO), provided verbal and written comments. The MPO made several comments in the written handout. Sid Leiken said first and foremost, CLMPO requests a seat on the development team preparing the implementation plan. He highlighted the Transit Operations Investment as key for his area. Experience shows operational funding cannot be sustained by the local transit agency under current funding scenarios. Central Lane MPO urges the State to consider this a high priority to be addressed by the legislature at the earliest opportunity.

•  
Rex Burkholder, District 5 Metro Councilor, provided verbal and written comments. Metro is engaged in a very similar process, focused on light-duty vehicles. Metro sees the STS as critical because it closes an important gap by addressing freight, statewide ground transportation, and air travel-related emissions. Metro recommends that Phase II of the STS effort commence immediately so local governments can see what choices are available and how to move forward. It also encourages partnerships and collaboration between federal, state and local agencies and recommends an “outcomes-based” approach to greenhouse gas reduction.

Chair Egan closed the Public Hearing.

• • •  
*ConnectOregon IV Final Review on Project Selection Results*

The Commission received an informational presentation on the project selection results from *ConnectOregon IV* Final Review Committee member Michael Bufalino and Jerri

Bohard. A Public Hearing was conducted. (*Background materials in Director/Commission/History Center File, Salem.*)

Jerri Bohard read a letter from *ConnectOregon* IV Final Review Committee Chair and Medford Fabrication President Bill Thorndike, who was unable to attend.

Michael Bufalino gave a brief background of past *ConnectOregon* programs.

***Background:***

The Oregon Department of Transportation (ODOT) initially received 70 *ConnectOregon* IV applications for funding. After an eligibility review of all applications, four applications were determined to be ineligible for *ConnectOregon* IV funds. Ineligible applicants were notified of ODOT's decision and given an opportunity to appeal. None of the four ineligible applicants appealed. Additionally, one applicant withdrew its application, and the Port of Brookings Harbor's application was funded from non-*ConnectOregon* IV Multimodal Transportation Fund monies.

The 2011 Oregon State Legislature authorized \$40 million to fund *ConnectOregon* IV, with a guarantee that a minimum of \$4 million in funding be allocated to each of the five *ConnectOregon* regions. The Final Review Committee assessed 64 applications with a total request of \$71,894,160. The committee prioritized the projects it reviewed with the goal to select the best projects to benefit air, marine, public transit and rail transportation throughout Oregon.

Staff reviewed each application for completeness, feasibility and eligibility. Each application received two economic benefit evaluations: one from an ODOT economist and one from a Business Oregon, Business Development Officer. The economic benefit assessments and scores were included in the review materials provided to each review committee. The appropriate modal committee (aviation, transit, rail, marine or freight) reviewed each application and recommended prioritization. These committee recommendations were forwarded to the appropriate regional review committee, usually the Area Commission on Transportation, or in the case of Region 1, a special committee to prioritize its projects. The recommendations from the modal and regional review committees were then forwarded to the 24-member Final Review Committee appointed by Director Garrett.

The Final Review Committee reviewed and discussed project materials and prepared a formal recommendation to the Commission. The committee recommended 38 of the 64 applications be funded from funds available from the bond sale authorized by House Bill 5036 (2011). Grant recipients are required by law to put up 20 percent of the funds.

Director Garrett said that with the \$300 million, there is the benefit that comes from the infrastructure investment itself, from the benefit of the movement of goods and services across the state. But the collateral benefit seen over and over is the significant overmatch of additional monies leveraged.

Commissioner Lohman asked if there was evaluation showing if grant applicants achieved what they said they would. Jerri Bohard said a number of legislative reports have been done on many of the key projects evaluating their success. Michael Bufalino said that language has been added to project application asking for the appropriate level of success for the given type of project. Commission Lohman asked to see past reports at the next meeting.

Commissioner Frohnmayer asked for more information on the integration of public feedback into the process from here forward. He noticed a significant amount of negative comments in letters regarding a proposed project, and asked how that folds in before a decision is made. Jerri Bohard explained that in the public hearing process, staff takes it direction from the Commission. The list coming forward from the Final Review Committee is a recommendation, and depending on what the Commission hears, it may ask staff to come forward with alternative recommendations or additional conversations with an applicant.

Chair Egan called the Public Hearing to order. Comments were received from:

•  
Port of Newport General Manager Don Mann provided verbal and written testimony in support of the funding request for the Port of Newport's international terminal. Adding his support was Don Lindly.

•  
International Longshore and Warehouse Union (ILWU), Local 53 President Yale Fogarty provided verbal and written testimony in support of the funding request for the Port of Newport's international terminal.

•  
Jeff Smith of ILWU spoke in support of the funding request for the Port of Newport's international terminal.

•  
Paul Langner of Teevin Brothers said *ConnectOregon* is probably the best example of good government that we have. It is a nationwide example of doing the right thing of investing in our infrastructure. It's always been about the intermodal connections to bring people, highways, aviation, etc., and tie it all together. That is what *ConnectOregon* is all about. He spoke in support of the international terminal project at the Port of Newport.

•  
Ann Hanus from the Association of Oregon Counties said that overall AOC is very pleased with the process, and that this is truly an example of cooperation and collaboration that isn't always evident elsewhere in the country. She suggested that, in terms of the process, the modes and the regions meet prior to the final meeting to have a discussion on each of their priorities, get a greater understanding, and come in more united.

•  
Steve Zika, CEO of Hampton Affiliates, provided verbal and written testimony, along with petitions signed by over 1,000 Oregonians, in opposition to the international terminal project at the Port of Newport, and requested the OTC eliminate the award (#30 on the priority list) in its review process.

•  
Cora Potter, Service Specialist for Ride Connection, thanked the OTC for allowing smaller organizations like Ride Connection to participate in the process, which is very open and accessible. She thanked everyone involved for their support of the Resources and Operations Center project, which is included in the final recommendations. The \$5.3 million project, with an approximately 50 percent match, is leveraging a larger \$35 million project, helping to break down silos and allowing partnerships with other organizations for overall cost savings. She invited the OTC to host a meeting in the new facility once it is constructed.

•  
Jenny Goblirsch, former Port of Newport Chair, underscored that the purpose of the terminal rebuild at the Port of Newport is for multipurpose docks to be used for commercial fishing, niche marketing, log shipping, boat cargo, etc.

Chair Egan closed the Public Hearing.

• • •  
*Tolling and Pricing Policy Amendments*

The Commission considered approval of a request to adopt the proposed Tolling and Pricing Policy amendments to the Oregon Transportation Plan, the Oregon Highway Plan, and the supporting information for the amendments as part of the record, including "Findings of Compliance with Statewide Planning Goals." Approval will also rescind the three existing Oregon Transportation Commission (OTC) tolling policies. ***(Background materials in Director/Commission/History Center File, Salem.)***

ODOT Planning Section Manager Erik Havig introduced Economic Analysis Unit Manager Robert Maestre, who presented the proposed amendments. Robert Maestre said the amendments to the Highway Plan and the Oregon Transportation Plan were initiated by the department to provide guidance on the development, evaluation, and implementation of tolling projects on the state highway system. He gave a brief history of the work and outreach done to develop the amendments.

Chair Egan asked if any of the changes in federal legislation passed recently impacts this discussion or decision. Robert Maestre said the MAP-21 legislation, in terms of tolling policies, fits very well with the Highway Plan and the Transportation Plan, and does not impact prior discussions or decisions.

Commissioner Lohman moved to adopt the amendments to Oregon Transportation Plan Goals #2 and #6, and the findings in support of this action (attached hereto as Exhibit G). Commission members unanimously approved the motion.

Commissioner Lohman moved to adopt Goal #6 as a goal of the Oregon Highway Plan, and the findings in support of that action (attached hereto as Exhibit G). Commission members unanimously approved the motion.

Commissioner Lohman moved to rescind Oregon Transportation Commission policies 07, 08, and 09, which were effective December 12, 2006, on the basis that these policies are now superseded by the OHP and OTP amendments. Commission members unanimously approved the motion.

● ● ●  
*Amendment to Administrative Rules*

The Commission considered approval of an amendment to Oregon Administrative Rules 731, Division 40 regarding tollways, which reflects required rulemaking and changes to Oregon Revised Statutes (ORS) Chapter 383 made by the Oregon State Legislature during the 2001 and 2007 sessions. ***(Background materials in Director/Commission/History Center File, Salem.)***

ODOT Planning Section Manager Erik Havig and Economic Analysis Unit Manager Robert Maestre presented the amendment. Erik Havig said 2007 legislation dictates that the existing Administrative Rule on tolling rates was out of date and needed revision. The rewrite of Administrative Rule 731, Division 40, covers fees, authorization of tollways projects, the establishment of tolls (rate setting), collection of unpaid tolls, and tolling system compatibility with Washington State. He noted that this parallels with the new federal law mandating compatible nationwide tolling systems.

The Administrative Rule sets up the process for tollway proposals and tolling rate setting. The rule describes considerations for the Commission to think through as it considers a proposal to establish a tollway project for construction, and essentially, the toll rate. The considerations were written in the legislation or added by staff based on experience.

Notice of this rulemaking was published June 2012, a public hearing was held on June 15, 2012, and the comment period closed on June 21, 2012.

Public comment was received from Ann Hanus, Association of Oregon Counties, who spoke in support of the work ODOT has done preparing the amendment, and thanked ODOT staff for reaching out to counties and Area Commissions on Transportation.

Commissioner Lohman moved to adopt the amendment to Administrative Rule 731, Division 40. Commission members unanimously approved the motion.

● ● ●

*2015-2018 Statewide Transportation Improvement Program (STIP) Funding Allocation and Project Selection Process*

The Commission considered a request to receive public comment and approve the 2015-2018 Statewide Transportation Improvement Program (STIP) Funding Allocation and Project Selection process with the updated materials from the June 2012, OTC meeting. *(Background materials in Director/Commission/History Center File, Salem.)*

The department seeks Commission decisions on:

1. Approve the application form for the 2015-2018 "Enhance" category project solicitation.
2. Set the percentage allocations to the "Fix-It" category and the "Enhance" category to determine the allocation of available funds for the years 2016-2018.
3. Determine the percentage of "Enhance" category funds to be set aside for OTC obligation to state or region priorities.
4. Determine the percentage splits of "Enhance" funds to the five ODOT Regions.

Jerri Bohard and Highway Division Administrator Paul Mather presented the request. Paul Mather gave a presentation on changing ODOT's funding allocation and project selection process. Highlights of the presentation were:

- Overview of existing process for which the OTC sets individual program funding allocations for 38 programs.
- The goal of the process change is to shift *from* setting funding levels for a multitude of programs and then selecting projects within those programs, *to* selecting the best projects and then determining what types of funds can be used to deliver those projects.
- Concerns that have been voiced include lack of documentation, moving too fast, losing certainty of dedicated funds; MPOs don't have sufficient involvement, ACTs may not have multimodal expertise or there are geographical areas without an ACT, and the transparency of decision making.
- Review of OTC approvals sought.
- Funding level to be used as a baseline scenario.
- Fix-It and Enhance category allegations.
- Enhance category funding splits to regions and statewide priorities.
- Project types eligible for Fix-It category funds.
- Fix-It category project selection.
- Enhance category application form.

Chair Egan called the Public Hearing to order. Public comments were received from:

●

Oregon Bicycle and Pedestrian Advisory Committee Chair A.J. Zelada said receiving the 400-page report, and receiving MAP-21 information at the same time is

overwhelming. He clarified that legislation specified the one percent minimum. He said the work Jerri Bohard and staff in Transportation Development have done to initiate the Active Transportation (AT) section is really remarkable. This is a good time to think about creating an AT Advisory Committee.

•  
Cycle Oregon Executive Director Jerry Norquist said he has been lobbying for bicycling in Washington, D.C. for over ten years. A lot of stride has been made to fund bicycle and pedestrian projects, with Oregon legislators being instrumental in making Oregon well recognized as a state that performs well in that area. He expressed concern that the transportation bill just passed is a real setback for the bike/pedestrian community and for Active Transportation, and he is concerned bike/ped programs will be eliminated. Oregon does not want to see those types of programs disappear. In addition, if decision-making power is given to the ACTs, we need to make sure all ACTs have representation by bike/ped groups.

•  
Bicycle Transportation Alliance Advocacy Director Gerik Kransky provided verbal and written testimony. He asked the OTC to delay the vote on changing the Funding Allocation and Project Selection processes scheduled for today, and spend more time considering the issues. In addition, he requests ODOT fully fund the biking, walking, and transit commitments already on the table, increase the list of project eligibility under the Fix-It category to include bicycle, pedestrian and transit projects, have more multimodal representation in the ACTs, and consider recommendations regarding multimodal criteria.

•  
Association of Oregon Counties (AOC) Policy Manager Ann Hanus commended ODOT for working to align funding priorities along with its policies. She provided verbal and written testimony, saying that AOC is generally supportive of the proposed changes, but has a few issues where clarity is needed: honoring existing commitments, Fix-It and Enhance categories, the Area Commissions on Transportation (ACTs), statewide enhance allocation director, and project selection of Fix-It projects.

•  
Central Lane Area Commission on Transportation Chair Sid Leiken provided verbal and written testimony. He has been in public office for about 14 years and learned that large documents like this one are living, breathing documents. The proposal is a good policy direction, but the process should continue to develop details based on feedback from outside stakeholders. The feedback from the Metropolitan Planning Organizations (MPOs) was very beneficial and will be critical as the funding process moves forward. The update of the sub-allocation formula of Enhance funds to ODOT regions, with a new policy objective to support a multimodal system, is the MPO piece. The 20 percent set-aside for OTC discretionary statewide Enhancement funding should be used to supplement under-funded projects already selected in the ODOT regions.

•  
Joint Policy Advisory Committee on Transportation (JPACT) member and Metro Councilor Rex Burkholder provided verbal and written testimony. JPACT's message is that the current system is not all that broken. It works well but there needs to be more money, so any changes should be about improving what works today. He would like to see Metro Council and JPACT function like an ACT in the Region 1 area, and more time to continue the communication and discussion with the ACTs, JPACT, and Metro. The application process is vague in that he does not know what ODOT's priorities are when he looks at the Enhance application process. Timing is also an issue because if the application is released as fast as is proposed, it will be very difficult to look at Enhance projects and how they connect with Fix-It projects.

•  
League of Oregon Cities (LOC) Legislative Director Craig Honeyman provided verbal and written testimony. LOC recognizes that times are changing, and resources are scarcer than ever, and it's more important than ever that limited transportation resources be spent smarter, have more flexibility in a multimodal fashion protecting the assets already in place, and that decisions are based on outcomes and project value rather than siloed programs. However, this process will have significant impacts, not the least of which will be on intergovernmental relationships between cities and counties, the ACTs, MPOs, and the state. LOC generally supports the changes, but is concerned about the speed at which the new proposal is being implemented, and the need to fully integrate jurisdictions into the new system. LOC supports the Enhance and Fix-It categories, and is pleased with the emphasis on maintaining investments already in place. LOC supports the reconfiguration of the ACTs, but there is some concern about the level of understanding within the ACTs and MPOs about how the process will work. Better understanding is needed about the application and selection process before fully embarking on this path.

•  
Travel Oregon CEO and Oregon Tourism Director Todd Davidson provided verbal and written testimony asking the Commission for its continued strong, strategic support of the Oregon Scenic Byway Program. The Oregon Scenic Byways program provides meaningful tourism opportunities while ensuring the transportation function is protected, and has brought in substantial amount of federal and other grant funding. The byway program delivers value to the state's economy by amplifying the investments beyond a single transportation improvement project.

•  
Eastern Oregon Visitor Association Executive Director Alice Trindle represents the eleven counties east of the Cascade mountains. She spoke in support of helping to keep creative ways to keep the existing vital transportation system healthy. That system is the State Scenic Byway Program. She would like to see STIP enhancement with what is done with that program. There has been a movement in the importance of scenic byways in the entire transportation program, and there has been a tremendous amount of investment at the federal level, from the Bureau of Land Management and the forest service, but also at the local level and tribal level. She requested that, as we

look at developing enhancement type programs, specific funds be set aside for scenic byways.

•  
Oregon Environmental Council Executive Director Chris Hagerbaumer said she is not sure this will achieve the goal of maintaining and enhancing the system, especially with multimodal transportation. We need a way to evaluate if outcomes and performance goals are achieved on projects. Least cost planning models aren't designed for individual projects, so how will performance goals be shown to have been met? In addition, will ACTs really be well represented within communities? Bicycle and pedestrian infrastructure helps with the maintenance of the system because it reduces use of the system.

Chair Egan closed the Public Hearing.

Commissioner Lohman said the *ConnectOregon* program does a good job of melding local concerns with statewide concerns by taking projects to the ACTs to address local concerns, and taking them to the modal committees to address statewide concerns. Something like this, that allows both perspectives to take place, would be useful in the STIP process. Jerri Bohard responded that one of the things staff has been wrestling with is what happens to the statewide committees if the move continues toward ACTs taking responsibility for project selection. The earlier suggestion for an ACT Advisory Committee was intriguing.

Commissioner Frohnmayer said splitting projects into the two broad categories of Enhance versus Fix-It indicates a level of consensus that this will add some efficiency to the way we operate, and there is a portion of that on the Fix-It side we can start in the near-term. There are still a lot of issues to work on the Enhance side, in terms of specific guidance to the ACTs as far as overall project criteria weighting. He suggested today's action be to move forward on the broad scheme, begin the process of starting Fix-It programs and set the initial allocations as proposed, and then really engage with stakeholder committees on the Enhance programs to assure we are not leaving out communities that don't have ACTs.

Chair Egan agreed with proceeding with the Fix-It portion of the program, while at the same time we communicate both about that and about the Enhance program with broader audiences so they understand both the intent, and procedurally, what will happen going forward. If we learn something in that process that stops it, then we do that. If not, we continue forward. The next couple of OTC meetings will provide opportunity to hear from the public, and also afford us the opportunity to provide more clarity around those pieces. Today we will proceed with the Fix-It portion, and the direction to staff will be to receive input and review the Enhance portion.

Director Garrett confirmed that the thought was to move forward with the Fix-It category - meaning the whole of the system because this is not a highway-centric conversation, it is a transportation system conversation – and then throttle back on the Enhance category in order to continue to listen, to understand, and then to work the issues and

concerns expressed today. That will take overt engagement, and will play itself out in the coming months.

Director Garrett said Councilor Burkholder hit on it when he asked the question, "What are the OTC's priorities specific to the Enhance category?" If those aren't expressed somehow, whether it's criteria or just a simple statement of "I want this", then as we engage people in the back-and-forth conversation, it might turn into a fetch-a-rock type situation. We want to avoid that. Our policies are an anchor we should always go back to, and maybe they become the genesis for a criteria or filter, or guidance. We are seeing two levels of activity playing themselves out. The Transportation Plan is the mother of all policies, and articulates exactly where we are going in terms of a multimodal system and a system where we take care of the multibillion-dollar asset Oregonians have already invested in. And then where we can, let us strategically grow that asset. In those policy documents is what we want the system to look like, and that has to weigh into the conversation. From there we go to the investment strategies, which will go to the performance measures. That's one level of conversation.

He said there has been a lot of conversation about the Area Commissions on Transportation (ACTs) and how they are reinventing themselves because of the Commission's specific charge on what ACTs need to look like. The ACTs are moving there across the board, but at different paces to some extent. That is a significant component of this conversation because they are the apparatus that will vet, for all intents and purposes, the Enhance side.

Summarizing, Director Garrett said his understanding is that the OTC wants to move forward on the Fix-It category, and it understand the comprehensives nature of that discussion, and throttle back on the Enhance category because there are some questions that need answers.

Commissioner Lohman said he is comfortable with what he has heard, and he likes the phrase "conditional approval" on the Enhance side, and straight approval on the Fix-It side with the understanding that after trying this out, the Commission might decide that the whole concept doesn't work as well as the old system, and we need to be open to that and change direction.

Chair Egan said there was a motion to proceed with Fix-It, and that motion includes intention to proceed with the Enhance portion, but that that will be finalized, as opposed to conditional, at a future Commission meeting either in August or September. Commissioner Baney seconded the motion, and Commission members unanimously approved the motion.

● ● ●  
*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 20 and 21, 2012, Commission meeting in Coos Bay.
2. Confirm the next two Commission meeting dates:
  - Wednesday and Thursday, August 15 and 16, 2012, meeting in Baker City
  - Wednesday, September 19, 2012, in Pendleton
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Approve the following Oregon Administrative Rule:
  - a. Amendment of 731-001-0005 relating to discovery in contested case hearings.
  - b. Amendment of 731-080-0010 through 731-080-0040 and 731-080-0070; the repeal of 731-080-0050 and 731-080-0060; and the adoption of 731-080-0080 relating to road usage fee pilot program.
  - c. Amendment of 734-010-0240 relating to staggered prequalification of construction contractors.
  - d. Temporary amendment of 735-012-0000 relating to Vehicle Code Book fee increase.
  - e. Amendment of 735-040-0098 relating to Keep Kids Safe group registration plates.
  - f. Amendment of 735-062-0016 relating to DMV photo exemption.
  - g. Amendment of 735-070-0085 relating to proof of DUII treatment completion.
  - h. Amendment of 740-200-0010 relating to readoption of International Registration Plan.
5. Approve a Type A Immediate Opportunity Fund grant in the amount of \$87,406 to improve access to the Baum Industrial Park in Union County. The improved access to Baum Industrial Park will facilitate the establishment of KML Corporation's laminate panel manufacturing facility. The total project cost for the access improvements is estimated to be \$174,812.
6. Approve a request to amend the 2012-2015 Statewide Transportation Improvement Program to add the construction phase to the Interstate 84 eastbound to Interstate 205 Auxiliary Lane project in Region 1. Construction funding will be provided by savings from other operational projects and will help meet the state's federal obligation limitation targets. The total estimated cost of this project is \$6 million.
7. Approve a request to amend the 2012-2015 Statewide Transportation Improvement Program to add \$36,000 in Transportation Enhancement Discretionary funds to provide exterior lighting, an informational kiosk and interpretive sign for the Goodpasture Covered Bridge Rehabilitation project in Lane County. The full allocation of \$2 million is still available in the TE Discretionary account for federal

fiscal year 2012. Lane County will provide the local match for the TE funds. The total estimated cost of this project is \$1,585,993.

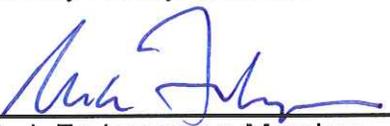
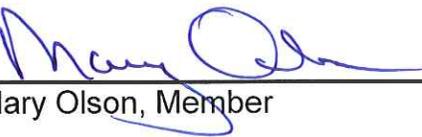
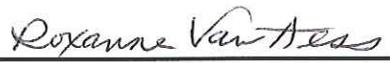
8. Approve a request to amend the 2012-2015 Statewide Transportation Improvement Program to add \$1,000,000 in Transportation Enhancement Discretionary funds to construct a pedestrian and bicycle connection to downtown Milwaukie in conjunction with the Portland-Milwaukie Light Rail Transit project. The full allocation of \$2 million is still available in the TE Discretionary Account for federal fiscal year 2012. The City of Milwaukie will provide the local match for the TE funds through a separate agreement with TriMet. The total estimated cost of the project is \$1,165,306.

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

• • •

Chair Egan adjourned the meeting at 4:01p.m.

• • •

 _____ Pat Egan, Chair	 _____ Tammy Baney, Member
 _____ David Lohman, Member	 _____ Mark Frohnmayer, Member
 _____ Mary Olson, Member	 _____ Roxanne Van Hess, Commission Support