

## OREGON TRANSPORTATION COMMISSION

### Minutes of the Regular Monthly Meeting May 16, 2012 Keizer, Oregon

On Wednesday, May 16, 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.

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Interstate 5 Trunnion – Director Matt Garrett discussed a problem we have regarding a cracked trunnion on the northbound I-5 bridge over the Columbia River. He said that we had engaged a national expert to evaluate the situation, and the report indicated we had 15-20 years of life remaining in the component. ODOT will announce the findings within a week.

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Director Garrett announced that on May 2, 2012, ODOT and Yaquina River Constructors (YRC), aka Granite Construction, signed a settlement agreement to terminate the US 20: Pioneer Mountain/Eddyville design build project. Terms of the settlement agreement include that YRC will pay to ODOT \$15 million, both parties will waive claims against each other, the Notice of Default that ODOT issued to YRC will be rescinded, and the design build contract will terminate.

The settlement agreement also includes that Yaquina River Constructors will continue to maintain, and be responsible for the existing temporary erosion control system until June 1, 2012, at which time it will complete demobilization from the site.

ODOT believes that the settlement is in the best interest of the state.

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The regular monthly meeting began at 9:30 a.m. in the 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 (on phone)  
Commissioner Mary Olson  
Director Matthew Garrett

Chief of Staff Dale Hormann  
Central Services Deputy Director Clyde Saiki  
Tran. Development Div. Admin. Jerri Bohard  
Communication Div. Administrator Patrick Cooney  
Highway Division Administrator Paul Mather

DMV Division Administrator Tom McClellan  
Public Transit Division Administrator Michael Ward  
Region 2 Manager Sonny Chickering  
Region 3 Manager Frank Reading  
Region 4 Manager Bob Bryant

Region 5 Manager Monte Grove  
Commission Assistant Jacque Carlisle



Chair Egan called the meeting to order at 9:35 a.m.



### *Director's Report*

#### *AASHTO GIS Award*

Director Garrett offered congratulations to the Geographic Information Systems group for bringing home two first-place awards, and three honorable mentions from the AASHTO GIS conference held last month. One first place was for the Official Oregon State Map, which was awarded the "Best Transportation Publication" award, and is a map thousands of Oregonians and visitors use daily. The team also won first place for an ARRA/Go Oregon map that was a joint project with the Department of Administrative Services. Director Garrett again offered congratulations to Chad Crockett, Ryan Johnson, Brett Juul and the entire GIS crew.



#### *PME Settlement*

Director Garrett announced that on May 2, 2012, ODOT and Yaquina River Constructors (YRC), aka Granite Construction, signed a settlement agreement to terminate the US 20: Pioneer Mountain/Eddyville design build project. Terms of the settlement agreement include that YRC will pay to ODOT \$15 million, both parties will waive claims against each other, the Notice of Default that ODOT issued to YRC will be rescinded, and the design build contract will terminate.

The settlement agreement also includes that Yaquina River Constructors will continue to maintain, and be responsible for the existing temporary erosion control system until June 1, 2012, at which time it will complete demobilization from the site.

ODOT believes that the settlement is in the best interest of the state. The settlement avoids the costs and delays of litigation, and allows ODOT to move forward with a new, low-bid contract this summer. The new project, named US 20 PME: UPRR-Eddyville, was released for advertisement May 3, and bids will be opened May 31.

Director Garrett acknowledged Bob Pappé for his work being at the tip of the spear on this effort, and the ODOT team of Joe Squire, Eric Knapp, and Gene Wilborn for their dedication in delivering this project. He also acknowledged the Department of Justice counsel, Rob Gebhardt and Seth Karpinski, who were at our side through the negotiations.

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***Oregon Award: National Summer Transportation Institute***

Director Garrett said ODOT and Oregon State University (OSU) have proved to be a dynamic duo in the area of minority participation in transportation discipline.

During a college intern graduate engineer recruiting trip to North Carolina in October, ODOT College Relations staff met with a colleague from the North Carolina DOT to compare notes on our outreach programs. It was during this meeting that ODOT learned about the National Summer Transportation Institute and contacted FHWA to indicate Oregon was interested in submitting an application and receiving information on the process.

After a few conversations with FHWA, Blake Dye consulted with various universities, (OIT, PSU, UP and OSU) to explain the program and application process, and to encourage participation. OSU was the only school that wanted to submit. Director Garrett met with its representatives to shape the best application, and apparently FHWA liked what it saw because OSU was awarded \$55,000 to encourage minority participation in understanding transportation careers and programs. This money will not only enhance our existing relationship with the university, but will also increase ODOT's visibility among youth of color in Oregon.

As a part of the summer program, ODOT will serve as a consultant to OSU and provide subject matter experts, mentors and host participants at one of our existing facilities (Traffic Operations Center, Materials Lab, a large construction project, etc). OSU will let us know what area of ODOT it would like to use, and we will try to match up the right personnel to meet its needs.

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***BoltBus***

Nonstop BoltBus service between Seattle and Portland will begin May 17<sup>th</sup>. The bus service uses luxury buses that provide Wi-Fi and iPod outlets, while giving customers travel rewards. BoltBus tickets go as low as one dollar, and become more expensive as the ticket purchase deadline approaches. Departing four times daily, travel time will be 15 minutes less than the train. The Seattle/Portland market has been the largest in the Cascade Corridor.

The BoltBus line is a joint operation between Greyhound and Peter Pan bus companies. BoltBus service has been focused in the state of New York, and extends as far as Washington, D.C., and Philadelphia.

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***Director Garrett – 15 Year Service Award***

Chair Egan presented Director Matt Garrett a pin for 15 years of service with ODOT. He said Director Garrett brings an incredible amount of energy, dedication, knowledge

and experience to the agency, which we benefit from every day. He has assembled a fantastic staff, and puts the department in a position in which he regularly gets to talk about the numerous awards ODOT receives, like the one mentioned today. On a regular basis, between the press coverage on projects coming in under budget and ahead of time, and the fact that the legislature has rewarded that effort in a lot of regards by supporting funding packages, etc., Director Garrett has had an incredible run that continues under his leadership.

On a personal note, Commissioner Lohman said that he knows Senator Hatfield would be very proud of Director Garrett.

Commissioner Olson said you can judge the quality and effectiveness of a leader by how his employees think about him. She said ODOT staff has Matt's back, he has theirs, and ODOT is a wonderful agency that truly works.

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*Public Comments*

Gerik Kransky provided written and verbal comments from the Bicycle Transportation Alliance (BTA), about its concern that the implementation guidelines regarding ORS 366.215, "Hole in the Air", undermines the planning, policies, and programs that work toward our collective goals. He said the guidelines are an example of an overboard interpretation of statute that prioritizes freight mobility, potentially at the cost of community objective, safety, and bicycle and pedestrian access. There are potential unintended consequences of the legislation and its implementation guidelines. BTA asked the OTC to direct ODOT to suspend the implementation guidelines for ORS 366.215 pending a full policy review, and that the policy review adhere to the Oregon Administrative Procedure Act rules, including ORS 183.335 to guide the public involvement in this apparent rule change and include key stakeholders such as the Bicycle Transportation Alliance, active transportation and public health advocates, freight community representatives, local jurisdictions, and ODOT staff.

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Heidi Guenin, Transportation Policy Coordinator for Upstream Public Health, also spoke in opposition to the implementation guidelines and asked the OTC to suspend implementation of those guidelines and initiate a comprehensive stakeholder review process.

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Steph Routh, Willamette Pedestrian Coalition Executive Director, spoke in opposition to the proposed guidelines as they might directly impact jurisdictions' ability to implement crucial pedestrian and bicycle safety improvements. The coalition asked the OTC to direct ODOT to suspend implementation pending a policy review.

The commission asked for clarification on what they meant by “policy review.” The request is for ODOT to suspend application of the rule, but what are the specific comments they would have if they were at the table in the rule-making process? What are the challenges, and are there specific projects that, short of a suspension of the rule, don’t have another avenue in? There appears to be a procedural block to getting to a substantive discussion.

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***Public Transit Division Discretionary Grant Programs***

The commission received an informational presentation from Transit Division Administrator Michael Ward on the Public Transit Division Fiscal Year 2012 Discretionary Grant Programs for Older Adults and People with Disabilities. *(Background materials in Director/Commission/History Center File, Salem.)*

Director Garrett said this would be Transit Division Administrator Michael Ward’s last presentation at an OTC meeting as he is retiring after 33 years with ODOT. He said Michael Ward has done nothing short of a stellar job at Public Transit. He has tightened up the fiscal disciplines around that portfolio; he has engaged in partnerships that have never existed before in terms of offering opportunities to veterans that were never available before; he engaged and led a conversation that has national significance for veterans; he has engaged the communities of the elderly, senior, and disabled in trying to continue to find opportunities to allow them to receive the services to live a fruitful and independent life. He has done this in some very challenging times; he looks at a problem and he brings a solution orientated approach. He will be missed.

Director Garrett introduced DMV Division Administrator Tom McClellan who presented Michael Ward a framed replica of the first entries made to the DMV ledger in 1905, an award created for retiring DMV employees by former DMV Administrator Chester Ott in 1969.

***Background:***

In January 2012, Public Transit Division conducted a statewide competitive discretionary grant program solicitation to distribute \$7,092,599 in funds primarily targeted to transportation services for older adults and people with disabilities. The funds became available outside of the planned distribution cycle, and rather than wait, the division will distribute the available funds in this current biennium.

***Fiscal Year 2012 Discretionary Grant Funding Sources:***

There are five sources of funds being distributed through this solicitation:

- Federal Transit Administration (FTA) Section 5310 - \$314,867
- FTA Section 5311 - \$803,754
- FTA Section 5317 - \$412,740
- FTA Section 5310 (transferred from Surface Transportation Program) - \$5,254,242
- American Recovery and Reinvestment Act - \$307,997

***Project Selection Process:***

The grant program priority is to sustain current transit services, including responding to increased service demand. Program criteria require the successful applicants to spend the funds by June 30, 2013. Other criteria included successful prior grant experience, quality of application, and local funds available for match. The division staff scored the applications to identify the projects that represented the best investment.

There were 45 applicants, with 107 projects valued at \$11,882,656, competing for the funds. Thirty-six (36) applicants and 79 projects were selected for funding. Of these projects, 67 are vehicles; the remaining are for transit operations, preventive maintenance, mobility management, and miscellaneous capital equipment items.

Four program applicants; the Cities of Albany and Woodburn, Basin Transit Service of Klamath Falls, and Columbia County applied for seven large buses that average \$350,000 per vehicle. These project requests were redirected from the list of applications and submitted to the Federal Transit Administration, State of Good Repair program. The total amount requested from the FTA for these vehicles is \$1,980,000. If these vehicles are not selected for funding by the FTA, and continue to be a priority for the applicants, the division will fund them in the upcoming 2013-2015 biennium, because they are highly qualified projects.

The regional distribution of funds is:

- Region 1: 44%
- Region 2: 30%
- Region 3: 13%
- Region 4: 6%
- Region 5: 7%

Chair Egan added the commission's thanks for Michael Ward's service over the years, and agreed that he would be missed.

Commissioner Lohman echoed those sentiments, saying that he has worked closely with Michael on a number of projects, and Michael has done a great job and we wish him well.

Michael Ward answered commission questions about the transit point system.

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***Statewide Transportation Strategy***

The commission received a status report on the Statewide Transportation Strategy, and conducted a panel discussion with members of the Strategy Policy Committee. The commission considered approval of the release of the draft report, and conducted a

public comment period. (*Background materials in Director/Commission/History Center File, Salem.*)

Transportation Development Division Administrator Jerri Bohard introduced the panel members:

- Steve Pickrell, Cambridge Systematics, Inc.
- Kenneth Williamson, Statewide Transportation Strategy Committee (STSC) Chair, Oregon State University
- Angus Duncan, STSC member, Oregon Global Warming Commission Chair
- Marla Harrison, STSC member, Port of Portland
- Michael Hoglund, STSC member, Metro

***Background:***

In 2009 and 2010, the Oregon Legislature passed legislation (the Jobs and Transportation Act Section 37 to 39, Chapter 865, Oregon Laws 2009 and Chapter 85 Oregon Laws 2010) requiring the Oregon Department of Transportation, the Department of Land Conservation and Development, and other state agencies to work together and examine ways to reduce greenhouse gas emissions from the transportation sector. These bills were crafted to help the state meet its 2050 goal to reduce transportation-related greenhouse gas emissions. The legislative goal (Oregon Revised Statute 468A.205), is to reduce greenhouse gas emissions to 75 percent below 1990 levels by 2050. This legislation required a number of initiatives, known as the Oregon Sustainable Transportation Initiative, of which the development of a Statewide Transportation Strategy is a part.

The Statewide Transportation Strategy looks to 2050 and explores how transportation and land use choices over the coming decades might affect the state's long-term future. The Statewide Transportation Strategy was developed and reviewed under the oversight of two committees of Oregon stakeholders, the Technical Advisory Committee and the Policy Committee.

Jerri Bohard led a PowerPoint presentation on the Statewide Transportation Strategy. Highlights of the presentation were:

- Legislative directive to reduce greenhouse gas (GHG) by 75 percent below 1990 levels by 2050, and plans to reduce GHG from transportation
- Challenges: financing and funding sources; adoption rate of technology; land use; public acceptance and participation; support of decision makers; multi-jurisdiction coordination and collaboration

Steve Pickrell, Cambridge Systematics Executive Vice President, discussed the three phases of the initiative and reduction scenarios:

- Phase I: outreach, public hearings, committee meetings, feedback
- Phase II: Implementation (fall 2012 – fall 2013)
- Phase III: Monitor and adjust (fall 2013, on-going)

- The purpose of the Statewide Transportation Strategy (STS): STS identifies the most promising approaches to significant GHG reductions while fostering other societal goals for Oregon
- Features of the STS approach
- STS development process
- Ground/commercial GHG reduction scenario
- Freight GHG reduction scenario
- Freight - other impacts and benefits
- Air passenger GHG reduction scenario
- Key drivers of GHG reduction
- Overall reduction impacts
- Other impacts and benefits
- Summary of findings
- Implementation considerations

Ken Williamson, Statewide Transportation Strategy Committee Chair said this report is the first comprehensive look at what needs to be done by 2050 to reduce greenhouse gases, and specifically for the transportation sector, which is about one third of it. He discussed some of the key aspects of the plan.

Angus Duncan, Oregon Global Warming Commission Chair, said the commission covers all GHG emissions across the state (forestry, agriculture, waste management, utilities, transportation), and ODOT is the leader across the state in its GHG reduction efforts. Highlights of his presentation were:

- Oregon GHG goals/trends 2010-2030
- Oregon power supply mix: nuclear, coal, gas, hydro
- Carbon-equivalent MPG – electric vehicles

Marla Harrison, Port of Portland Environmental Planning Manager, continued the discussion, saying the port sector is being asked for dramatic changes. Highlights of her presentation were:

- Opportunities for Oregon
- Port of Portland perspectives: optimize transportation modes; optimize transportation for Oregon's economy; adaptively manage emissions over time

Mike Hogle, Metro Research Director, discussed components of the work being done by Metro on GHG reduction planning. Highlights of his presentation were:

- Integrating State and Metro efforts
- Climate Smart Communities
- Regional growth strategy
- Six desired outcomes: vibrant communities, equity, economic prosperity, transportation choices, clean air and water, climate leadership
- Building on community aspirations
- Phase 1
- 2035 GHG target for Oregon Metropolitan Planning Organizations (MPO)
- Current plans provide a strong foundation, but are not enough

- Targets are achievable, but will take more effort and new actions
- Key challenges
- Phase 2
- Create building blocks for scenarios
- Create score card for scenarios
- Collaboration and partnership opportunities

Commissioner Lohman noted that when you get down to the action level of some of these strategies, it runs up against, or opposes, something really good. For example, moving more freight by barge and using the river system to carry a large portion of the nation's freight like Europe does, has implications for things like trying to save the salmon. The challenge is deciding which of those two things is the most important. It will be hard for the department, tied as closely as it is to the legislature, to be the primary advocate for some of these controversial actions.

Commissioner Lohman did note he was very pleased to see that Liquefied Natural Gas production should be initially prioritized for domestic freight movement as opposed to international trade. This is a change from two years ago when the focus was on importing gas.

Commissioner Olson said it is important to figure out how to get buy-in and the expertise of the people who will implement these changes and the people we are trying to affect. How do we bring the affected industries and families into these conversations and get their enthusiasm to recognize the benefits?

Commissioner Frohnmayer congratulated the committee members for a very thorough look at this topic. The challenge is how to turn this into a call for action.

Chair Egan said at times there is a vast chasm between the existence of technology and the establishment of policy, and whether it will actually be implemented. The sterile exercise of looking at reductions in emissions is a relatively straightforward exercise. How that plays out in term of economic impacts is an entirely different equation. Whether people will actually implement it just on a consumer choice basis, and what the implications are for regional economy, are very important considerations. The extensive work done to this point is very credible, and that credibility is going to be a real premium for this group going forward that must be maintained. To generate enthusiasm, action, and policy maker buy-in, you have to point out the economic benefits, which we have done a good job of highlighting.

Director Garrett said the intent is to take this body of work on the road to engage the public. The ability to articulate the benefits, while noting the costs and shifts of this complex and emotional issue, will be challenging and create controversy and conflict.

Chair Egan said, as we go forward with the planning phase and execution, what can ODOT do to support this effort? Jerri Bohard said public information and outreach will be a main component, and plans are in place to start these robust conversations.

The Oregon Transportation Commission approved release of the draft report.

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*Immediate Opportunity Fund Grant*

The commission considered approval of a Type A Immediate Opportunity Fund grant in the amount of \$750,000 to the City of Pendleton to improve U.S. 395 and SW 37<sup>th</sup> Street in the City of Pendleton. (*Background materials in Director/Commission/History Center File, Salem.*)

Region 5 Manager Monte Grove recommended and requested approval of the grant.

***Requested Action:***

Approve a Type A Immediate Opportunity Fund grant, in the amount of \$750,000, to improve U.S. 395 and 37<sup>th</sup> Street in the City of Pendleton. The improvement of U.S. 395 and 37<sup>th</sup> Street will facilitate the relocation and expansion of the St. Anthony Hospital campus. The proposed improvements are one element of a larger project funded by the hospital and through private financing that the city will secure. The total project cost for the access improvements is estimated to be \$1,601,777. St. Anthony Hospital will provide match funding of \$851,777.

***Background:***

The existing St. Anthony hospital lacks the capacity and condition necessary to serve the community into the future. Construction of a new hospital campus is necessary to retain existing employees and add new, high-wage earning positions. Completion of the facility will require construction of a new access road along with improvements and signaling on U.S. 395 for safe access to the facility.

The new facility will retain 274 Full-Time-Equivalent (FTE) positions, four physicians and 62 part-time employees, while adding 66 FTE and 15 part-time employees by 2017, at an average wage of \$36 per hour. The new Medical Office Building will add 10 physicians, at an average wage of \$300,000 per year, and 30-40 FTE support staff, averaging \$45,000-\$50,000 per year.

Commissioner Lohman asked how much was currently in the IOF. Monte Grove responded that, if the commission approves this request, the Immediate Opportunity Fund balance for the 2011-2013 biennium will be \$4,878,000.

Commissioner Olson moved to approve the Immediate Opportunity Fund grant for the City of Pendleton. Commission members unanimously approved the motion.

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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 April 18 and 19, 2012, Commission meeting in Madras.
2. Confirm the next two Commission meeting dates:
  - Wednesday and Thursday, June 20-21, 2012, meeting in Coos Bay
  - Wednesday, July 18, 2012, in Keizer
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Approve the following Oregon Administrative Rule:
  - a. Repeal 735-022-0120 relating to optional titling and adopt 735-022-0130 and 735-032-0055 relating to title and registration for all terrain vehicles and emergency fire apparatus.
  - b. Amend 740-100-0010 relating to intrastate exceptions to federal motor carrier safety transportation regulations.
5. Grant approval to commit, in State Fiscal Year 2013, funding to the state's Metropolitan Planning Organizations. The Metropolitan Planning Organizations will use the funds to carry out their transportation planning programs in order to meet the requirements of federal and state law. The funding amounts to be passed through to the Metropolitan Planning Organizations total \$7,264,856. Grant authority to the Division Administrator of the Transportation Development Division to sign the necessary agreements for the disbursement of the above noted funds.
6. Adopt the Interstate 82/U.S. 730 Interchange Area Management Plan for the Umatilla interchange area at Exit 1 along I-82. Adoption of this facility plan will amend the Oregon Highway Plan and will establish policies for the interchange area to guide the Oregon Department of Transportation and local governments to manage the interchange facilities. The Interchange Area Management Plan has been adopted into all relevant local comprehensive plans and transportation system plans.

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



Chair Egan recessed the meeting for lunch.

Michael Ward briefed the commission on a project Public Transit Division was working on with the Department of Human Services, and Government Relations Manager Betsy Imholt provided the commission a legislative update.

Chair Egan reconvened the meeting.

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*Public Hearing on Draft Tolling and Pricing Policy*

The commission conducted a public hearing on draft tolling and pricing policy amendments to the Oregon Highway Plan and Oregon Transportation Plan. *(Background materials in Director/Commission/History Center File, Salem.)*

Planning Section Manager Erik Havig introduced Program and Economic Analysis Unit Manager Robert Maestre who has been leading this effort for a number of years, and Dave Williams from ODOT Region 1 who has staffed the work. They gave a brief background of the policy.

***Background:***

The Oregon Transportation Commission received an informational update on tolling policies in the January 2012 packet. Since then, Oregon Department of Transportation staff has conducted public outreach and review of the Draft Tolling and Pricing Policies, Amendments to the Oregon Highway Plan and the Oregon Transportation Plan [see attached]. Area Commissions on Transportation, OTC-appointed advisory committees, Department of Land Conservation and Development, and other stakeholder groups have received the policies and background information through meetings, presentations and email distribution. This public hearing will provide an additional opportunity for interested stakeholders to submit comments and the opportunity to testify before the commission.

Dave Williams said that after commissioning the research projects and conducting substantial public outreach, that body of knowledge is the basis of the policy statement. To understand what is said, and not said, in the policy statement, a few points have to be understood. The first among those is that electronic tolling expanded dramatically the number of different ways a road could be tolled. It also opened the door for more policy objectives for tolling roads. And finally, it adds an almost endless number of locales where you could apply tolling. This creates an enormous universe of possibilities.

The fact of the matter is, in advance of any of these, you cannot say how good or bad any of those are in themselves. Every application will be different, with a different set of winners and losers, pros and cons, costs and benefits. In each case, decisions will need to be subjective, and possibly made by several layers of government. Because of this, the policy statement tries to avoid predicting what those subjective judgments should be. Instead, a set of best practices was developed for how one would develop, analyze and implement any kind of a tolling project.

He also noted that a policy statement like this is really a snapshot in time. There has been an enormous amount of change in the field in the past 20 years, and there will be more. In an attempt to not close any doors on something we couldn't anticipate, rather than making calls today, all the applications, policy objectives, and research points are

left in play for the future when there is a better idea what is applicable and will work in Oregon.

The last parameter he noted is that control over this aspect of transportation is solely in the hands of the commission. The Federal Government has statutes on the federal aid system that are subject to significant change. The legislature is hard to predict in regard to what direction it will go on Section 3, the Pricing Pilot Program. The greenhouse gas reduction effort also touches parts of tolling and pricing.

Chair Egan asked if tolling policies across the nation or internationally were examined. Dave Williams answered that a world-wide scan of tolling and pricing was done. The Europeans have done an enormous amount of research on tolling, and that is where many of the conclusions were drawn. However, there are no analogies. What makes sense in London isn't going to make sense in Cleveland, Ohio. What looks to be promising in the Netherlands, suddenly fails.

### ***Public Hearing***

Oregon Transportation Commission Chair Pat Egan called to order the public hearing on the draft tolling and pricing policy amendments to the Oregon Highway Plan and Oregon Transportation Plan at 1:20 p.m.

Public testimony was received from Andy Cotugno from Metro, who also provided written testimony. He said that in order for this policy to be effective and useful, it should be developed to provide direction on the policy intent being pursued through pricing and tolling, and have as its foundation the policy principles that are intended to be accomplished. As presently written, the draft defines a number of factors to be considered in a thorough evaluation, but provides no guidelines on the intended policy objectives.

Chair Egan closed the public hearing on tolling and pricing.

Robert Maestre spoke about the next steps in the process. He said the 45-day public review and comment period began April 1, and ends May 18, 2012. The Tolling Steering Committee and ODOT staff will incorporate comments received and prepare final draft language for commission action/adoption at the OTC meeting in July.

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### ***Proposed 2013-2015 Agency Request Budget***

The commission received an informational presentation on the Oregon Department of Transportation's proposed 2013 – 2015 Agency Request Budget, Governor Kitzhaber's 10-year plan, and proposed policy packages. *(Background materials in Director/Commission/History Center File, Salem.)*

Deputy Director for Central Services Clyde Saiki and Budget Officer Darryl Ficker made the initial presentation to the commission of the 2013-2015 ODOT budget. The budget will be brought back for approval in June.

Clyde Saiki gave a PowerPoint presentation on the request budget. Highlights of the presentation were:

- Five guiding principles driving 10-year plan for Oregon
  - common vision
  - defined outcomes
  - fiscal sustainability
  - innovative solutions
  - informed decision making
- Governor's directive
- Focus on outcome areas
  - Education
  - Healthy People
  - Economy and Jobs
  - Healthy Environment
  - Safety
  - Improving Government ODOT is tied to
- Economy and jobs outcome areas
- Safety outcome area
- 10-year budget timeline

Darryl Ficker continued the discussion.

- Policy packages
- Bond revenue
- Debt service
- Highway Division
- Driver and Motor Vehicles
- Motor Carrier
- Transportation Safety
- Public Transit
- Rail Division
- Transportation Program Development
- Central Services
- Non-limited Infrastructure Bank
- Capital Construction

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*Practical Design*

The commission received an informational presentation on the status of Practical Design implementation from Highway Division Administrator Paul Mather and Technical Services Chief Engineer Cathy Nelson. *(Background materials in Director/Commission/History Center File, Salem.)*

***Background:***

In July 2009, the Oregon Legislature passed House Bill 2001 – the Jobs and Transportation Act. Sections 19 and 20 of the Act required the Oregon Department of Transportation to implement transportation design practices that follow the concept of practical design – delivering transportation benefits in the most cost effective manner. ODOT has met legislative requirements through development of a practical design strategy and processes, tools and extensive training to support implementation of the strategy. The goal now is to institutionalize practical design concepts into everyday project delivery practices.

Highlights of the presentation on Practical Design were:

- Values: safety, corridor context, optimize the system, public support, efficient cost
- Examples of practical design projects: U.S.26/Glencoe Road interchange; I-5/Beltline interchange; I-5 Southbound/Carmen Drive to Lower Boones Ferry Road; U.S. 26/Powell Blvd.

Commissioner Olson said this sends a message to the whole department about being good stewards of taxpayer dollars, while at the same time keeping our primary concern of safety and moving people at the forefront.

Commissioner Lohman noted that reducing design speed was a major way of achieving practical design on a number of the projects. He asked how we are doing at keeping actual speeds down so that they are in the design parameter. Cathy Nelson said historically it was difficult for engineers to make the change in design speed because unless people were actually traveling at that, it didn't work. But that is part of the safety piece, making certain that if you are designing at a lower design speed, geometry can be tighter, so that in, and of, itself can slow down traffic. But they are paying attention to what the other pieces are, whether it's signing or enforcement, what are the other contexts of the design that would help slow down traffic and make sure they are traveling at those speeds. All those different combinations are needed to make it work.

Commissioner Lohman said he hoped these approaches were used when having conversations about the Columbia River Crossing (CRC) Project because people need to be assured this type of thinking is applied to that project. Cathy Nelson said they have had the design speed discussion in regard to CRC with Washington State.

Director Garrett presented Cathy Nelson with a service award for 35 years of service to ODOT.

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*Draft Application and Criteria for Funding Allocation and Project Selection*

The commission received an informational presentation on the draft application and criteria for the funding allocation and project selection process under development. *(Background materials in Director/Commission/History Center File, Salem.)*

Jerri Bohard and Paul Mather talked about the draft application and criteria for the funding allocation and project selection process.

Jerri Bohard started by discussing how the draft was put together. In developing the draft document, staff reviewed applications and criteria used by: *ConnectOregon*, the Flex Funds Program, Region 3 Area Commissions on Transportation, and recent Statewide Transportation Improvement Program Eligibility Criteria and Prioritization Factors. Staff also used language and examples in the Oregon Transportation Plan, goals and policies, and arranged the criteria to parallel the categories of impacts to be evaluated by least cost planning (the Mosaic process).

Historically, Area Commissions on Transportation have used a variety of methods to apply the approved criteria to determine eligibility and prioritize projects, particularly for the Modernization Program. With the expansion of Area Commission on Transportation involvement beyond modernization, to include all projects proposed under the “Enhance” category, staff recommends the development of a standardized application and project selection criteria.

Jerri Bohard gave an overview of the draft application. Once this application is finalized, the intent is that any agency (state or local) proposing a project for consideration by any of the Area Commissions on Transportation would complete an application, including descriptions of how the project meets the criteria.

The timeline goal is to approve the draft application in July, and take the application out the next day. Applicants would have until late September to complete the application, at which time ODOT staff will get the applications to the Area Commissions on Transportation (ACTs) in early October. This would give the ACTs time to get a sense of what the universe of their projects looks like before they meet with the OTC at the meeting in October. At the first of the year, the ACTs would bring back their prioritized lists for staff to start scoping, with the final list completed by June, and commission approval in September 2013.

Paul Mather talked about project selection for the “Fix-It” category, which will be done via a process currently under development, utilizing management systems, asset management information, needs lists, etc. (The “Fix-It” category includes projects and programs focused on fixing or preserving the existing infrastructure and services.)

Guiding principles for “Fix It” categories are:

- Balance - Maintain relative balance between “Fix it” programs while allowing route priority within individual programs, taking into account risks (safety), sustainability, and magnitude of investment.
- Leverage - Leverage existing funding to attract more revenue opportunities to support a sustainable transportation system.
- Maintenance - Focus investments on features that are difficult and expensive to maintain.
- Safety - Maintain or improve transportation safety on the system within funding level availability.
- Regulatory compliance - Ensure at a minimum that environmental, federal, state, and local regulatory compliance is maintained on the transportation system.
- Economy - Maximize economic opportunities and minimize economic hardships as a result of transportation investments.
- Cost effectiveness - Allocate funding in a way that maximizes return on investment to support a sustainable transportation system.
- System continuity - Fund investments that minimize risk of transportation system failure.

In June, staff will bring a recommendation about project selection for the “Fix-It” category to the OTC to review and make a decision in July. The recommendation will remain relatively conservative in overall revenue projections. From a practical standpoint, the goal for the split between the “enhance” and “fix it” categories, is to have the large, complex projects go first, with smaller projects filling in what’s left over.

Commissioner Lohman noted the need to be careful to also think about geographic equity because sometimes it’s the little projects that are very big in outlying areas. Paul Mather responded that staff has talked about that and how to make the splits of the enhanced funds to the different regions.

Commissioner Olson clarified that the funds were for the 2015-2018 STIP. She said it would be informational and interesting to take an even longer view because every dollar is going to be important. Sometimes, rather than trying to maintain equity every single time, it might be better to forego a lesser need in this round, knowing there is a better fix down the road.

Commissioner Lohman approved of reserving 20 percent for the commission’s consideration. He said 40 percent would be too much because, in some sense, it throws that portion of the money back into a statewide competition.

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***Road Usage Pilot Program***

The commission received a status report on the Road Usage Charging Pilot Program development and related research. *(Background materials in Director/Commission/History Center File, Salem.)*

***Background:***

Pursuant to policy directives established by the Road User Fee Task Force under authority of ORS 184.846, the Oregon Department of Transportation is in the process of developing a three-month Road Usage Charge Pilot Program (RUCPP) scheduled to commence September 2012. The department will provide an evaluation of the results of the RUCPP to the Oregon Legislature, the Road User Fee Task Force and the Oregon Transportation Commission.

Office of Innovative Partnership Manager Jim Whitty said the nature of vehicles is changing, and while it's necessary for many reasons, it has the potential to cause havoc on the main revenue system for roads, the fuel tax. He gave a presentation on the Road Use Charge and Pilot Program (RUCPP). Highlights of the presentation were:

- Fuel efficiency will reduce revenue
- Road User Fee Task Force
- The 2006 vision: A pay-at-the-pump model
- National review and support
- Assessment and critique
- New vision: adjust to political and economic realities
- Research under way
- 2012 Pilot Program
- Option 1 – basic unit without GPS
- Option 2 – basic unit plus Smart Phone
- Option 3 – mileage location unit with PS
- Other national road use charging pilots and studies

ODOT will provide a progress report on these activities to legislative committees during legislative days in May.

Jim Whitty explained the rural/urban analysis that will be conducted in December, and how the new system will meet their needs.

Commissioner Lohman said the possibility exists that rural drivers could easily end up paying less under a vehicle miles traveled tax than they currently do with a gas tax. Since rural drivers seem to be the most concerned about a vehicle miles traveled tax, it might be useful to demonstrate a few assumptions and scenarios in this area to allay concerns. Jim Whitty said the rate is one of the most difficult conversations which is why it will start with a small group of fuel efficient vehicles.

Commissioner Olson asked if there has been any forecasting, or any assumptions made on integration of the two types cars mandated in the program into the fleet, the time it will take to get the program in place, and what it does ultimately to the overall revenue picture? Jim Whitty responded that the fleet forecast makes those kinds of predictions.

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Chair Egan adjourned the meeting at 4:19 p.m.

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Pat Egan, Chair

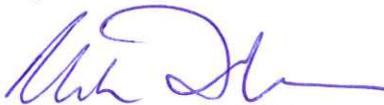
Not present

Tammy Baney, Member

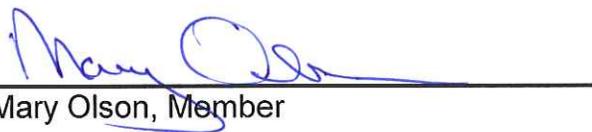


David Lohman, Member

By phone



Mark Frohnmayer, Member



Mary Olson, Member



Roxanne Van Hess, Commission Support