

OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting October 16-17, 2012 Silverton, Oregon

On Tuesday, October 16, 2012, at 9:30 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a workshop and discussions with Chairs from the Area Commissions on Transportations and Advisory Committees in the Orchid Room at the Oregon Gardens Main Lodge, 895 West Main Street, Silverton, Oregon. That evening, the Commission met for dinner with ODOT staff members at the Garden View Restaurant at the Oregon Garden Lodge, Silverton.

On Wednesday, October 17, 2012, at 9:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff continued the Annual Workshop and held the Formal Monthly Meeting in the Orchid Room.

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

Chair Pat Egan	Trans. Safety Division Administrator Troy Costales
Commissioner David Lohman	Highway Division Administrator Paul Mather
Commissioner Mary Olson	Region 1 Manager Jason Tell
Commissioner Mark Frohnmayer	Region 2 Manager Sonny Chickering
Commissioner Tammy Baney	Region 3 Manager Frank Reading
Director Matthew Garrett	Region 4 Manager Bob Bryant
Chief of Staff Dale Hormann	Region 5 Manager Monte Grove
Trans. Development Div. Admin. Jerri Bohard	Commission Assistant Jacque Carlisle
Deputy Director for Central Services Clyde Saiki	
Communications Div. Administrator Patrick Cooney	

Tuesday, October 16

Chair Egan called the meeting to order at 9:30 p.m.

• • • *Workshop Item 1 – Discussion on Trends*

The Commission received an informational briefing on the trends and directions in transportation, and the Oregon Department of Transportation's response to those trends.

Highway Division Administrator Paul Mather gave a presentation on general transportation trends, trends that affect the department's financial state, revenue forecasts for both state and federal sources of funds, ODOT's budgetary response to those trends and forecasts, the impact of "*Fix It/Enhance*," the two-year budget, the ten-year budget process, and the Moving Ahead for Progress in the 21st Century Act (MAP-21).
(Background materials in Director/Commission/History Center File, Salem.)

Highlights of the presentation were:

- Oregon travel trends: downward trend in vehicle miles traveled (VMT) and an increase in rail and transit ridership, and commuting by walking and biking
- There is an increased awareness of the relationship between transportation and health
- Freight weight-mile transactions increase as the economy goes up
- Reported railroad gross operating revenue
- Northwest gas consumption per person is at its lowest level in nearly 50 years
- An increase in fuel economy standards will reduce revenue
- Uncertain federal highway funding: MAP-21
- ODOT highway fund debt service
- Increased costs of personal services - revenues are going down while the cost of running the agency is going up
- Budget impacts of this shift mean we have to make changes in our operations to close those lines back up and manage that gap: five percent fixed cost reduction, right-sizing effort
- Summary and impacts of reductions to ODOT
 - increased response time
 - less frequent plowing
 - continued deterioration of bridges and pavement
 - closure of maintenance facilities
 - reduced DMV service levels
 - reduced subsidy: teen driver education, motorcycle
 - reduced funding to local governments

Chair Egan asked if there was a reporting number on total annual ton-miles. He would like to see data that looks at a modal split of highway versus rail, and how much is being carried on rail versus road. Jerri Bohard said she would get back on that. Commissioner Lohman asked what constitutes a weight-mile transaction. Paul Mather will get back on that.

Commissioner Lohman said the impacts of those reductions, and the budget realities, are that these are big organizational impacts. Every one of the impact bullets listed above are just a sample of things the public will be looking at and asking what has happened, and why can't I get the same service as in the past? These are things ODOT will hear about and the legislature will hear about. We need to make sure legislators hear, in advance, that we are doing this because we have to.

Director Garrett said the reality is that a business decision has to be made, and that business decisions don't always align with political decisions. To that end, ODOT will take this information and engage the Budget Committee, the Ways and Means Subcommittees. We will have this conversation now so they understand the business decisions being made, instead of waiting until session in February. This also allows us to look at the way we do business and the various programs.

Commissioner Frohnmayer asked how much thought has been given to getting this message out to the general public who will bear the burden of these impacts. Director Garrett responded that the first front of attack is to the decision/policy makers on the legislative side and those with policy input, like the Area Commissions on Transportation (ACTs) and advisory committees. Then we get to the general public with two stories, here are the implications and here is a reminder of what you are paying for, how much you are paying for it, and here is the purchasing power of what you are paying. Transportation has been taken for granted, and the average person incorrectly thinks they are paying the full ride of transportation. That is the difficult conversation that needs to continue.

Chair Egan commented that the discussions we've had, and continue to have with the ACTs, is the most powerful piece of the public education component.

Paul Mather talked about the percentage of projects going to construction on time and the percentage of original construction authorization spent. He said that with a 2010 rating of 4th in the nation, ODOT is consistently one of the highest nationally ranked states for projects coming in on time and on budget.

State DOTs around the nation are facing organizational changes driven by revenue shortfalls, pressure for government efficiency gains, demands for performance accountability, improved project delivery, and the importance of agency credibility. ODOT specifically faces revenue shortfalls, the need for improved bridge and pavement conditions, an aging DMV computer system, and 2005-2030 modal needs and growth forecasts.

Paul Mather touched briefly on "Fix-It" and "Enhance," which is the external side of agency changes and deals with how projects are selected, and is a move away from funding silos.

Director Garrett presented the 10-Year Budget, which is driven by five guiding principles: common vision, defined outcomes, fiscal sustainability, innovative solutions, and informed decision making. Of the six outcome areas of the 10-Year Budget, (education, healthy people, economy and jobs, healthy environment, safety, and improving government), ODOT's focus is on economy, jobs, and safety outcomes. Program funding teams have received all the data and are starting the very difficult job of prioritizing what gets funded to the specific allocations given to each of the outcome areas. Next, the governor's policy advisors will look to see if the program funding team's decisions sync up with the Governor's 10-Year Plan.

Chair Egan gave feedback, thanking Paul Mather for the very informational presentation, and Director Garrett for a very good job of capturing the purpose of the 10-Year Budget exercise. One of the essential elements is measurement, and he encourages the department and our partners in the ACTs to continue and measure data where needed. The agency has to demonstrate to the legislature its need for resources with established, credible measurements and numbers. We cannot measure enough.

Travis Brouwer gave a report on the new federal bill, "Moving Ahead for Progress in the 21st Century" (MAP 21), and how it affects ODOT. He said ODOT has a two-year reprieve before it faces big cuts. One of the significant themes of MAP 21, is allowance for increased flexibility across funding programs. In the past, ODOT shared Highway Bridge Program funds proportionately with local governments based on needs. Now that there is no longer a Highway Bridge Program, we can't share that money with local government, so we have had to find an alternate way of sharing money with local governments to assure bridges are kept in good shape. MAP 21 increases the funding level for the Highway Safety Program by about 50 percent, with an emphasis on safety across all public roads, and not just state highways. Across MAP 21 there is significant additional flexibility in how federal money can be invested, but with that comes increased accountability, and significant performance measures that will go into effect.

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Workshop Item 2 – Central Services Strategic Review and "Intermodal Oregon" Initiative

The Commission received an informational briefing on Central Services Division's Strategic Review and the initiative to accelerate ODOT's growth in developing multimodal solutions and systems (*Intermodal Oregon*). (***Background materials in Director/Commission/History Center File, Salem.***)

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Central Services Strategic Review

Deputy Director for Central Services Clyde Saiki started the discussion by introducing Pivotal Resources Inc. President Pete Pande, who is working with ODOT on both of these projects.

Background:

In April 2012, Central Services, Transportation Development and Highway Division Administrators and staff recognized an opportunity to address two distinct but related change efforts with a common approach. Anticipated advantages of aligning these efforts included: more efficient use of resources, shared learning and capability building, development of a consistent change process, and more effective prioritization of improvement needs.

Since June, each project working with Pivotal Resources, a consulting firm engaged to support both initiatives, has been focused on "scoping," which has included clarifying issues and objectives, communication and dialogue with management and staff, assessing

readiness and potential obstacles, and developing a sustainable “strategic plan” for each effort.

Clyde Saiki said Central Services Division is launching what will become an ongoing strategic review process. The goal of this process is to ensure the division is focused on its mission, and supports the department in the most efficient and effective manner possible. This process will allow us to be clear on what our book of business is, focus on the services that are priorities for the department, and continuously improve the services offered, making the division as efficient and effective as possible. Implementing an ongoing strategic review process supports the division’s “Right Services, Right Delivery, Right Resources” business model, and will increase our ability to adapt to the changing needs of the department, and provide a way to review and prioritize services on an ongoing basis.

Clyde Saiki talked about the why, what and how of the strategic review, and about some of the factors driving this initiative. Workforce demographics are a huge issue. 70-80 percent of the workforce is 40 years or older, and 50 percent of ODOT managers are eligible for retirement in the next five years. At the other end of the spectrum, the younger generation coming into the workforce has a very different idea of what work is and how you accomplish work. If we don’t flex to meet some of their needs, we won’t be able to recruit and retain the younger people we need to come into the workforce.

Commissioner Lohman asked for a list of services that have been identified as within Central Services arena of services.

Clyde noted two important principles, the need to move to a risk-management model as opposed to a risk-avoidance model, and the need for metrics. He said the strategic review is currently in the first phase of identifying and documenting what Central Services is doing now, and is starting to prioritize and sort services. That initial body of work will then be taken out to the rest of the department for review and to align resources with the workload. Central Services will then partner with businesses to improve processes and establish an ongoing review. Commissioner Frohnmayer agreed that continuous improvement is essential to an organization.

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Intermodal Oregon

Background:

In August 2011, Governor Kitzhaber presented the Commission with a clear vision of the need for a more connected, effective and multimodal transportation system to serve the businesses and citizens of Oregon. Subsequently, the Commission’s 2012-2013 Work Plan identified “achieving a multimodal system” as one of its thematic priorities. The Commission further noted that a multimodal system aligns with and supports many of the OTC’s goals, including: mobility and accessibility, economic vitality, and sustainability. This effort to address the goal of being more multimodal and system oriented, is a continuing evolution, represented by such recent actions as formation of the Active Transportation Section and the ***Fix-it/Enhance-it*** funding process.

Earlier this year, Director Garrett named Highway Administrator Paul Mather and Transportation Development Administrator Jerri Bohard to lead a concerted and sustained effort to carry this transformation forward. Over the past three months, a project team has been formed, and important work has been accomplished to clarify our direction and build support for an array of changes that will enable us to achieve the governor's vision. These include:

- Launch of an internal communications program, intranet site, and proposed branding of the initiative as "*Intermodal Oregon*." The term "intermodal" is intended to encompass *both* the need to develop and maintain multiple transportation modes, as well as the importance of coordination and connectivity *between* modes to ensure we have a truly effective transportation system.
- A series of discussions and work sessions with a cross-section of management and staff, featuring an exchange of ideas and adding detail to the vision—as well as identifying various issues and challenges that must be addressed to enable the intermodal transformation.
- Development of a strategic-level action plan, covering six key work streams: Governance; Project Prioritization; Processes and Measures; Project/Change Execution; Change Management and Skill Development.
- A focused 90-day plan to broaden active participation in and responsibility for the *Intermodal Oregon* (IO) transformation, and to address short-term opportunities as the new governance process is established.

Transportation Development Administrator Jerri Bohard and Pivotal Resources Inc. President Pete Pande gave a presentation on the *Intermodal Oregon* initiative. Highlights of the presentation were:

- Setting the vision – a transportation system that chooses the right projects for communities, attracts business, and allows its users maximum use of the system, with sustainable funding for all modes
- Reminder of key themes of 2011 Annual OTC Workshop
- Business case – a closer look at our current state
- Objectives: enhance value of system, establish ODOT as leader in intermodal capability, and build ODOT's ability to continue evolving to meet trends and changes.

Pete Pande continued the discussion with an overview of Pivotal Resources role in the assessment, where we are in the assessment, where we've been successful, and the 90-day plan. Highlights of his presentation were:

- Progress/accomplishments to date
- Readiness assessment conclusions – looks at the kinds of things that need to be in place for an organization to sustain a long-term change effort
- Six work streams:

- Four action work streams: governance structure and roles, prioritization and project selection, processes and measures, and project execution
- Two support streams: skills development, and change management and communication
 - Adding detail to our understanding of driving forces and restraining forces
 - 90-Day Plan objectives and actions
 - Organization driven by funding/programs
 - Organization shaped by functions

For the *Intermodal Oregon* initiative, guidance and direction from the Commission will be extremely important to ensure ODOT is aligned with the governor's and OTC's vision for an intermodal transportation agency, is appropriately challenging assumptions and exploring valuable new ways to do our work, and is balancing this ambitious effort with the practical ongoing mission of the agency. To engage the Commission in a discussion to capture ideas and input, Jerri Bohard asked the Commission the following questions:

- How would you describe what "intermodal" means and how is it going to provide meaningful value to Oregonians?
- What should our short- and long-term priorities be as we move forward with this effort?
- As we begin outreach to external stakeholders to explain this vision and effort, what guidance would you offer to ensure our success?

Chair Egan defined "intermodal" as a euphemism for doing better with what we've got, not only for modes of transportation, but for organizational change also.

Commissioner Frohnmayer said it all comes back to looking at where we are with the state transportation system as a whole in terms of funding this huge inventory of bridges and road maintenance, and looking at more cost effective solutions.

Commissioner Baney submitted that most often, new initiatives are not successful based out of fear or uncertainty. From a partner perspective, it's important to show examples of how this isn't going to be administratively more burdensome. Address the fear. Show how this is going to streamline, and in that you will develop the partners to help shepherd the mission.

Chair Egan said ODOT has a lot of partners and encounters a lot of governance systems, including the federal mix and how we get our dollars. When we encounter an external system with federal partners or transportation stakeholders that have a different view of what should be done or that doesn't translate, that is risk. We need to do what we can to change the federal system and get the most we can that way. We then need to communicate this change to local partners in a way that they can see the benefits. It all comes back to how we measure it, how we articulate it, and how we make sure people from the outside understand and agree with our assessment of it.

Commissioner Lohman said we need to learn how to talk about what we are doing with our communities and with our legislatures. For this initiative, we need to ask what we expect the outcomes to be in the next two to five years, and that is what we need to talk about with the public.

Commissioner Olson said the other thing we need to keep in mind is that we have advocate groups out there that have been designed around our silos. We need to integrate their structure into our new structure so they have the ear of the department and are being heard as the experts in their particular fields.

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Workshop Item3 – Discussion with Area Commission on Transportation and Advisory Chairs (Working Lunch)

The Commission participated in discussions about the Commission’s expectations for the new ***Fix It/Enhance*** 2015-2018 Statewide Transportation Improvement Program (STIP) project selection process. (***Background materials in Director/Commission/History Center File, Salem.***)

Discussion participants:

Stan Wolfe – Rogue Valley ACT Co-Chair
Mike Montero – Rogue Valley ACT Co-Chair
John Oberst – Monmouth City Mayor, ODOT Policy Committee, TE Advisory Committee
Bob Hooker – Lane ACT Chair
Terry Parker – Public Transit Advisory Committee Chair
Jerry Norquist – Cycle Oregon Executive Director
Denny Ross - Maupin City Mayor, League of Oregon Cities Board President
Shirley Kalkhoven - Nehalem City Mayor, Northwest ACT Chair
George Endicott – Redmond City Mayor, Central Oregon ACT (COACT), LOC President
Ken Woods – Mid-Willamette ACT Chair, Dallas City Council, Vice-Chair LOC Comm.
Susan Morgan – Douglas County Commissioner, South West ACT
Roger Nyquist – Cascades West ACT Chair, Linn County Board of Commissioners Chair
Susie Lahsene – Freight Advisory Committee Chair, Port of Portland
Al Switzer – Klamath County Commissioner, South Central ACT Chair, ODOT Policy Group
Mike Hayward – Wallowa County Board of Commissioners Chair, Northeast ACT Chair
Boyd Britton – Southeast ACT (SEACT) Co-Chair
Mike Laverty – Oregon Transportation Safety Committee Chair
Jason Tell – ODOT Region 1 Manager for Bill Wyatt STIP Project Selection Committee Chair
Jerri Bohard – Transportation Development Division Administrator
Matt Garrett – ODOT Director

Background:

The intent of this discussion with ACT Chairs and advisory committee chairs was to discuss the Oregon Transportation Commission’s expectations in the selection of projects using the new ***Fix It/Enhance It*** project selection process.

The commission understands that this transition will prompt questions as ACTs review and prioritize project applications and develop recommended lists of projects. The discussion will center on the introduction to the process, the instructions to the applicants, and the Commission's general expectations and considerations as outlined below.

- Solution-based projects: Focus on solutions to the transportation problem rather than selecting projects to fit various funding or program silos. The intent is not be concerned about 'the color of money' or funding silos within the **Enhance** category.
- Balance of modes: The project recommendations should reflect a balance between transportation modes (highway, bike, pedestrian, transit, etc.), and promote a sustainable transportation system.
- Transportation system: Project recommendations should represent a diversity of state system (state owned routes), other roadway systems (local, federal, and tribal roads), off-street bicycle, pedestrian and transit opportunities.
- Efficiency and leverage: Project recommendations should include the most efficient and effective projects available to solve the transportation problems at hand and leverage as much additional funding as possible.
- Goals, objectives and priorities: The ability to tie a project proposal or to bundle projects to achieve multiple goals, objectives, and priorities is positive.

Chair Egan started the discussion by saying there has been a pretty massive shift in the STIP process, essentially the **Fix-It/Enhance It** process. Many of the ACTs have had conversations with regional representatives about what that means, and Chair Egan is very interested in how those conversations went. He has received some feedback, and would like to hear more. Region 1 does not have an ACT, but has created a committee to act as proxy for an ACT.

Jerri Bohard gave a presentation the STIP process. Highlights of the presentation were:

- Changes to the 2015-2018 STIP – moving from program-based selection of projects to value-based project selection
- Factors driving the change
- Goals of the process change
- Outreach efforts to engage stakeholders
- What we've heard
- The new application/selection process
- Summary – OTC expectations
- New process timeline

The following questions were presented for discussion:

- Remembering back to the engagement with the OTC last November, how have things changed for your group? Has your membership changed? Is there anything different about your discussions and processes?
- As an ACT where are you in the new STIP selection process? How has the process gone to date? What clarification do you need from the Commission as you move forward into the selection process?

- As an Advisory Committee member how do you see this transition and new responsibilities for the ACTs changing your roles as an advisory committee?

Chair Egan talked about formation of ACTs and asked Bob Hooker to give a recap of the charter process and commission selection process undertaken in the recent formation of the Lane ACT. Bob Hooker spoke about the very diverse ACT and the steps taken to meet all the requirements of the ACT.

Chair Egan asked for input from the more established ACTs, and if the memberships have changed or if there have been any pressures in that regard. Susan Morgan responded that the South West ACT has had continual issues with being able to get a quorum to meetings. One issue is geography, the large geographical area the ACT covers and the significant amount of travel time involved in attending meetings. Another is the economy and the difficulty attracting private company membership, partially because downsizing has resulted in owners actively being involved in managing the business. SWACT is in the process of looking at its vacancies and reworking the membership configuration. Part of the challenge, with the new way of looking at funding, is that it is going to end up with people who aren't familiar with the process at all, and with a very short timeframe to be up and running on how the process works. She is concerned the ACT may miss opportunities in this grant cycle because of that.

George Endicott said the Central Oregon ACT has a very active membership, and never has a problem reaching quorum.

Mike Montero said the Rogue Valley ACT has not had the sufficient two-thirds majority to amend its bylaws recently, so the ACT agreed in principle to expand the membership. He explained why there had been some resistance to doing that. He said when there is turnover in an ACT, and there are folks that are new to the ACT, it is a pretty steep learning curve so most people respond based on what their experience is. This has been a challenge for the ACT, but has been educational to work through, and will benefit them in the future.

Boyd Britton said the Southeast ACT functions very well, but said he thinks we are missing a golden opportunity. ODOT needs to reframe the narrative. A lot of people don't realize how much we pay for our roads, and we have an opportunity now to reach out to the public through the ACTs. The ACTs are uniquely situated to reframe that narrative so people will be receptive to it. People have not been receptive because they don't trust the legislature. That is where the ACTs can make a difference in getting the message out about the need for a different funding mechanism.

Ken Woods said MWACT was the very first ACT put together, starting with 16 members. It now has 17 members, with most members being elected officials. While the ACT has a good feeling for what's going on in the community, and what's needed for the different modes, it is not the expert. Its response is that it will be inviting the modal experts to sit at the table as part of the Technical Advisory Committee, without changing the setup of the committee itself. MWACT's biggest problem is that in the past, each different bucket of money had different criteria, so the ACT has four or five lists of projects that have different criteria.

Now there will be one bucket of money, so it will be more difficult to prioritize between the projects. MWACT will prioritize based on what it thinks is best, and when the regional meetings are held, they'll see that other ACTs did it different. It would be nice to have a guideline for the ACTs to work from.

Shirley Kalkhoven said the Northwest ACT has 29 members. She said it was very easy to get a representative from State Parks, but getting a representative from the private timber industry has turned out to be impossible. Normally, 35 to 40 people attend the ACT meetings, which switch location every two months. Shirley said she has heard the presentation about the new process about five times now, and what's different about the discussion within NWACT, is that the other members are still in shock. It's very disconcerting to have your Area Manager talk in terms of sidewalk improvements when you're used to talking in terms of projects that cost mega-bucks. Now the money isn't there, and it's going to take a lot of effort for people to get their thinking adjusted in terms of these smaller amounts of money.

Jerry Norquist thanked the ACTs that have incorporated bike/ped people into their groups. He said the Bike/Ped Advisory Committee is available and will travel to meet with any ACT that would like its expertise or to answer any questions around making decisions about multimodal transportation. He said Oregon is a premier destination for people to come and bicycle, primarily due to its roads. Other states can supply some of the great visuals like Oregon does, but their roads are terrible. Cyclists come to Oregon mainly for the roads that are travelable.

Al Switzer represents Klamath and Lake Counties where the South Central ACT (SCACT) alternates its monthly meeting between the two counties. SEACT has good participation with the exception of rail and the local tribe. The ACT has had absolutely no luck engaging either group. He said this is their opportunity to engage people. He said he's pretty plain spoken, so at the next meeting he plans to just say, this is your chance – put up or shut up. You have a chance to affect the changes you've been griping about, here you are, put them forward.

Commissioner Lohman said one thought for ACTs with a quorum issue because of geography size, might be to think about reducing the quorum requirements.

Chair Egan said the original model of the ACTs was to make sure the voice was heard, and those who were transportation minded could articulate a message in a way that the legislature would have a difficult time denying it. That has moved into a statewide presence, and the OTC wants that to be a feedback loop. The ACTs speak with great credibility when before the OTC, and that's a reflection of everybody being at the table and having these discussions. He suggested a new member orientation document might be helpful for the ACTs dealing with membership changes, and asked that any perspective or actual documentation be shared with Jerri Bohard.

Dennis Ross said Chair Egan made a good point when he said you shouldn't be worrying about competing modes, but rather put applications in based on what you need.

Mike Hayward said NEACT is entering its tenth year, and he can't ever remember a time when it didn't have a quorum. The ACT has good representation, but one of the things that needs to be talked about is succession planning and how the next group of people will come in. It's the right thing to do, and he encouraged staying the course over the speed bumps in the road.

As we move forward to get to the 150-percent list, and given the timeline of the application process, Chair Egan asked what more the ACTs need from the OTC to make sure they are in the best position possible to advise the OTC on those project lists.

Mike Montero said that is a very important question because all the ACTs are going to look at the new process and ask themselves how they are going to get there when they're used to doing what they used to do for so long. He suspects there may be a silver lining in this challenge. If we've learned anything about transportation funding, it's that while it's on the downslide now, it's a fluid proposition. Money comes and goes, and when you have periods of constrained funds, areas need to pull together and look at a different dynamic for how to integrate. He cited an underfunded project on Highway 62 about six years ago, where (due to the culture created in Region 3 by Paul Mather and Monte Grove), the county, City of Medford, ODOT, and two private property owners came together and closed a \$3 million gap. That is leverage, and it would be helpful if there were real-world examples of what form leverage might take. That would help the discussion and fuel creativity on the part of the applicants.

Mike Montero's input for practical things to assist the process has to do with the move more to modal committees advising the OTC. He said that as those committees are developing information to present to the OTC, (like the Freight Advisory Committee developing bottleneck lists), that kind of information would be very critical for the ACTs to have also.

Terry Parker said one of the concerns about how public transportation is represented statewide really ties into what does public transportation mean in a community of four thousand people. ODOT has proven it does really well at infrastructure. But if you analyze what that road means to public transit, or pedestrians, or bikes, or freight, you can actually have an opportunity for integrated planning on road projects that could include the type of pavement that supports a 40-foot bus, or the type of sidewalk that connects to a bike path that connects to a park-and-ride. There is an opportunity for every ACT to look at every mode and define the infrastructure that ODOT is good at supporting and building.

Chair Egan asked for thoughts on pressing for additional funding.

Mike Hayward said the counties' challenges have been stalled off by the safety-net being extended a year at a time. That's not going to continue, and if you look at transportation as a system that includes state highways, county roads, city streets, forest service, etc., some areas are going to be in real big trouble one of these days. The conversation is going to have to get serious about what we are going to do to replace that portion of the funding. If

not, there won't be county roads to get to the state highway. The whole topic of funding the system needs to be in the 2015 Legislative Session.

Mike Montero said his area has been experimenting with the notion that policy can substitute for currency. He gave an example in Jackson County in which creativity was born out of funding deficits.

Jason Tell said the ODOT Region 1 STIP project selection committee plans to meet soon, and Jason will take any direction given on regional criteria to score projects or the project selection process and share it with Chair Wyatt before the first meeting.

John Oberst said there may be more urgency and more pressure for funding solutions at the state level than we may be aware of. Leveraging will help, but it can only go so far. The state, and the nation, needs to figure out how to pay for transportation infrastructure. He urged the Commission to not walk away from the idea of initiating conversation with the legislature.

Susan Morgan agreed more clarity is needed around what can be used for leverage, because if they can't talk about using federal funds to match what they have in their pots, it will be a mess. There are a lot of good things about the new direction the Commission is taking in the process of funding projects, but we need to recognize it's going to be an iterative process, and the first try isn't going to be perfect, but we'll learn a lot as it unfolds. One thing that will be very important is having quantitative ways to rate projects and what attributes are desired. The Southwest ACT needs to get together with the Rogue Valley ACT to meld and agree on a ranking for their very different looks at reality. Another issue is the very, very small towns in the Southwest ACT and the fact that there is no capacity at the bottom end to even have the discussion with these small towns.

Commissioner Lohman said those are valid concerns, and that the purpose of this change is to simplify the process and provide technical assistance at that level.

Commissioner Olson said this brings up a good point. If an ACT does not have the time, talent, or expertise to put an application together, she would hope that the ACT would call us for help. Director Garrett said they should come to ODOT, but at the same time they should look to their own associations also to take as many resources as available.

Susie Lahsene said the Freight Advisory Committee would like to offer any assistance possible. The committee has a number of people who are quite knowledgeable about different modes of transportation and would be happy to meet with any of the ACTs and talk about the needs in their particular area.

Bob Hooker spoke about how much the Lane ACT appreciated the support and guidance given by ODOT and the OTC, and he read an e-mail from Lane County Commissioner Jay Bozievich thanking the OTC and ODOT for removing the funding buckets and requiring a bike-path project to compete with a lane expansion project for Transportation Enhancement funds. He said tax dollars should be spent on transportation projects that

have the maximum benefit to the greatest number of people, and the old buckets prevented that.

George Endicott said COACT supports ODOT staff conducting preapplication meetings to determine priority projects for STIP enhancements, and to identify opportunities for partnerships and shared priorities. ODOT will present those draft project lists to COACT based on feedback from local agencies. This will provide the starting point for COACT discussions, deliberations, and prioritizations.

John Oberst said Transportation Enhancement (TE) has received a few “notices of intent” to apply. The TE Committee is reviewing those to find the most promising to move forward with scoping. He said the application is scary at first glance, and the committee’s first reaction is it doesn’t have staff time to do that. Having attended the meetings, and heard ODOT’s offers of help and willingness to be flexible wherever possible, he suggested that going forward ODOT look at the application to see how it can be made to look less daunting at first glance.

Chair Egan asked John Oberst to explain the notice of intent process. John explained that instead of asking for a fully scoped application, the committee asked for a 2-3 page “notice of intent to apply” that described the project, the benefits, cost, etc., but did not fully scope the project. It made the process less onerous for communities and gave staff an opportunity to narrow the 153 notices received down to 65 that will go forward to scope. That’s almost 100 communities that didn’t send the money to fully scope an application that would not have made the cut.

Al Switzer said Region 4 Manager Bob Bryant has already sent out a note saying ODOT can give help with applications. But even with that help, his area has an effective unemployment rate of 20 percent, and you can’t get things through until the economy starts moving and you put people back to work. You just can’t go tell someone who doesn’t have a job, and might lose their house, that you’re going to raise their tax.

Commissioner Lohman reacted to the day’s discussions with the following comments:

- He resists the idea that the OTC should give goals or priorities. Priorities should be set at the local level – small communities look at a road as resource for all kinds of things, and we want that holistic look at the whole transportation system.
- The same goes for leverage, local government should be making the argument for what it thinks leverage should be and why.
- He agreed with the importance of not forgetting the rural areas – are they included in the 150-percent list.
- He strongly supports the idea of taking advantage of the experience of statewide committees. Those committees should send their thoughts on what’s important to the ACTs even before the ACTs start their process – like the bottleneck lists.

Chair Egan said this is a shared risk, local government wants direction and we want input. A year from now when we look back at the discussions we had about project selection, there’s going to be a fair amount of pressure back on us that we did listen to you, and we

did provide technical expertise, etc. This is a shared risk, but at the end of the day, the OTC still has a statutory charge to do the STIP selection process. But we're opening up the process and you're at the table with us.

Commissioner Baney said there will be politics when determining whose vote outweighs whose, and she offered to meet with any of the ACTs that might find themselves in the position of needing a white flag.

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Workshop Item 4 – State Energy Plan

The Commission received a briefing from Sustainable Communities and Transportation Policy Advisor Lynn Peterson, and Governor Kitzhaber's Energy Policy Advisor Margi Hoffman on Governor Kitzhaber's Draft Ten-Year Energy Action Plan. (***Background materials in Director/Commission/History Center File, Salem.***)

Margi Hoffman gave a brief background on Governor Kitzhaber's Draft Ten-Year Energy Action Plan, which takes a practical approach to address the challenge of developing a comprehensive energy strategy that meets the state's carbon reduction, energy conservation and renewable energy goals and timetables, and that balances complex needs—including affordability and reliability—while enhancing Oregon's economic objectives.

The plan focuses on three core strategies:

1. Maximize energy efficiency and conservation to meet 100 percent of new electric load growth
2. Enhance clean energy infrastructure development by reducing finance and regulatory barriers
3. Accelerate the transition to a more efficient, cleaner transportation system. This third element of the plan centers around large fleet conversion, alternative transportation fuels, metropolitan area scenario planning, Oregon Sustainable Transportation Initiative/Statewide Transportation Strategy (OSTI/STS) and least-cost planning.

Lynn Peterson talked about the transportation portion of the plan, which was developed with consideration for:

- reduce costs for households and businesses in the transportation arena
- assure energy costs are not a barrier for people in the future
- reduce dependence on foreign fuels
- provide mobility choices for the future
- provide opportunities to grow the Oregon transportation cluster

Three main priorities came out of those considerations:

- accelerate fleet turnover within state to alternative fuels
- work on accelerating ITS deployment for all modes

- o a vehicle-miles-traveled (VMT) road user fee

Commissioner Olson asked if we were looking to see if Oregon has qualified timberland that could be a potential revenue stream from carbon credits and carbon allowances, like currently being done in California. Margi Hoffmann said Oregon is following the carbon credit program very closely, but does not have an answer to possible impacts to Oregon at this time. She will get back to Commissioner Olson on this.

Commissioner Frohnmayer said that both California and Nevada have passed legislation to enable a tremendous ITS opportunity – self-driving vehicles. Is that part of Oregon’s plan, and will Oregon be the third state in the nation to pave the way? Lynn Peterson responded that to make this real on the ground, you have to have a community that is actually wanting to do this, and willing to move forward to the legislature with what they would use it for and who they are trying to attract. Commissioner Frohnmayer said discussions have shown a high degree of interest in having Eugene be a pilot community for such an effort, with participation from Google. Lynn asked to have that information sent to her to start looking for a legislator in our area that is interested in championing this.

Chair Egan asked what ITS opportunities they see in Oregon. Lynn Peterson responded there are a couple opportunities in the Highway 97 and I-84 corridor. Another is BMW, who is looking for partners to have new cars talk to traffic signals. There are other opportunities that are more safety related, like right turns by trucks, cameras in vehicles, and signaling to bikes and pedestrians. She briefly talked about steps being taken related to VMT.

Commissioner Baney asked how this fits into the OTC’s work plan. Director Garrett responded that if this was something the OTC would like to track, then just inset it in the work plan, and the appropriate responsibilities and obligations will follow through.



Chair Egan adjourned the meeting at 4:15 p.m.



OTC members had dinner with senior ODOT staff and provided thoughts on the past year.

Wednesday, October 17

Chair Egan called the meeting to order at 9:10 a.m.

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Workshop Item 5 – Discussion of Brookings Institute Report – Export Nation 2012 and The Greater Portland Export Plan

The Commission received an informational presentation on U.S. exports in the nation's largest metropolitan areas, with an emphasis on Oregon and the Portland area.

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

Transportation Development Division Administrator Jerri Bohard introduced Greater Portland, Inc. Vice President of Regional Strategy and Coordination Derrick Olsen and Port of Portland Senior Manager and Transportation Land Use Policy Manager Susie Lahsene who gave presentations on freight and the economy.

Background:

The presentation covered the National Export Initiative and the information provided by the Brookings – Rockefeller Project on State and Metropolitan Innovation report on Export Nation 2012- How US. Metropolitan Areas are Driving National Growth, and the supporting report on the Greater Portland Export Plan.

The National Export Initiative (NEI) is a White House initiative to improve conditions that directly affect the private sector's ability to export. The purpose of the NEI was to meet the president's goal of doubling exports over the next five years by working to remove trade barriers abroad, by helping firms – especially small businesses – overcome the hurdles to entering new export markets, by assisting with financing, and in general, by pursuing a government-wide approach to export advocacy abroad, among other steps.

In response to the NEI, four metropolitan areas, one of which was Portland, Oregon, moved to develop their own Metropolitan Export Initiative (MEI) in 2011 with the support of the Brookings Institute. The initiatives are something new: ground up collaborative efforts by regional business, and civic and political leaders to create and implement strategic plans to boost exports in U.S. regions.

Derrick Olsen started the discussion with a brief background of Greater Portland, Inc., which is one of four regions piloting the Brookings Institution Metro Export Initiative. The Export Plan was launched this spring and is currently in transition to implementation. He discussed the strategic actions of the four overall strategies: leverage primary exports, catalyze underexports, build export pipeline, and brand and market global edge. He discussed obstacles and their effects statewide, the work needed to address the obstacles to export growth, and the next steps needed to move the initiative forward.

Susie Lahsene gave the Port of Portland's presentation, "*Think it, Build it, Grow it, Ship it.*" She said the vision for the next American economy is about supporting exports, and this can be improved through freight movement, and freight has an opportunity to lead this effort. Highlights of her presentation were:

- Exporting businesses – who they are, what they do, and what are their challenges/concerns
- Making the right moves – the right infrastructure in the right places, access to export facilities, multiple modes, availability of carrier service, supportive public policy, and public sector funding
- Infrastructures – facilities need to match commodity types and geography
- Access – maintain efficient access to and from businesses, develop and maintain efficient road access to terminals, have rail capacity at or near terminals, and multimodal terminal access
- Multiple modes
- Service – match commodities and markets with service
- The impacts of a lack of service
- Public policy and services – what is happening with free trade agreements
- Coordinated state and local policy’s effect on economic development, land use, and transportation
- Funding for improvement/maintenance/expansion of export facilities
- Summary of keys to facilitating exports

Susie Lahsene said the next step is to think about bottlenecks and how that part of the system facilitates moving commodities. She would like ODOT to think about how that transportation system really serves businesses, and the business needs in each of the ACTs. In addition, the OTC should give priority to investments that support the freight system that supports business growth, and this should be stressed in the direction the OTC gives the ACTs. She said the port’s three driving principles are: improved understanding of how the system performs for businesses, making the right investments to facilitate that, and more funding.

Freight Unit Manager Michael Bufalino said he has been working with the Freight Advisory Committee to identify a series of freight bottlenecks, (freight needs) broken out by modes. The committee anticipates having the highway mode freight needs completed by its December meeting. Currently the committee is pairing the marine port and airport projects together to finalize a consultant contact, and anticipates having a needs list out in March or April. The committee is coordinating with the Rail Division to match rail needs with the updated Rail Plan.



Workshop Item 6 – 2013 Oregon Traffic Safety Performance Plan

The Commission received an informational presentation on the 2013 Oregon Traffic Safety Performance Plan, approved at the August 2012 OTC meeting, from Transportation Safety Division Administrator Troy Costales. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The 2013 Oregon Traffic Safety Performance Plan represents Oregon's efforts for the National Highway Traffic Safety Administration's focused programs.

The plan summarizes ODOT's major safety issues and goals, and how we will approach the goals and measure success. Areas analyzed include Bicycle Safety, Community Traffic Safety Programs, Impaired Driving, Motorcycle Safety, Occupant Protection, Pedestrian Safety, Police Traffic Services, Roadway Safety, Work Zone Safety, Driver Education, Speed, and Youthful Drivers.

In our work leading up to the Oregon Transportation Safety Committee approval in July and the Oregon Transportation Commission approval in August, ODOT purposefully engaged in a Highway Division focus conversation. Each region manager led a discussion that resulted in a specific and unique safety priority.

ODOT takes highway safety very seriously. The additions for 2013 show our continued commitment toward increasing the number of fatal-free days in Oregon. Safety efforts are not bound by division lines or funding silos. It is by our collective efforts, professionally and personally, that we push on. There were 328 reasons in 2011 for us to keep up our work.

Director Garrett started the discussion by saying Transportation Safety Division Administrator Troy Costales is recognized on a national level for his work, and we often get calls seeking Troy's input or oversight on other state's safety plan. His safety plan is a model that is appreciated and acknowledges by his peers across the nation.

Troy Costales talked about how the plan got to where it is now, and introduced region managers who presented their own view and "connection" to the 2013 plan. Region 1 Manager Jason Tell, Region 4 Manager Bob Bryant, and Region 5 Manager Monte Grove spoke about their particular area's influence, goals/focus areas, outreach, etc., regarding the safety plan. Some of these areas of influence/focus areas include winter driving-related accidents, road-side departures, and road safety audits.

Highway Division Administrator Paul Mather talked about Highway's expectation to make the safety plan an ODOT-owned plan that is drilled down and integrated in the selection process for projects, for community outreach, for enforcement education, and so on.

Technical Services Manager and Chief Engineer Cathy Nelson talked about policies and procedures supporting the program.

Jon Oshel, from the Association of Oregon Counties, said that roughly half of Oregon's serious and fatal injury accidents happen on city streets and county roads, and not the state highway system.

Commissioner Baney said a proclamation was going to the governor to designate December as "Drinking and Drugged Driving Awareness Month", and asked what ODOT does, in

partnership with agency folks, to address that. Troy Costales responded that the Drug Evaluation/Classification Program within Oregon, started through a Traffic Safety grant, and continues to be funded through the Transportation Safety Division. Approximately 200 city, county, and state police officers are certified and recognized as drug-registered experts, by the court system and by the International Association of Chiefs of Police. These officers are also trained to recognize nondrug-related medical situations, like a diabetic episode, and are credited on numerous occasions for saving individuals lives by getting someone the attention and help they need. At the same time, there are approximately 1200 drug-related DUII arrests every year, that's three per day, seven days a week.

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Workshop Item 7 – OTC Work Plan

The Commission reviewed the status of items identified at last year's Oregon Transportation Commission (OTC) workshop and included in the OTC Work Plan approved in April 2012. Based on this discussion with the Commission, items may be added or deleted from the existing Work Plan. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

Staff will provide information on the status of the work items identified in the 2012-2013 OTC Work Plan. A conversation with OTC based on the previous day's discussions around the Trends and Directions for Transportation, and ODOT's response, including the discussion with Area Commission on Transportation (ACT) chairs and advisory committee members on the new Statewide Transportation Improvement Program (STIP) project selection process, may lead to some modifications of the work plan.

Jerri Bohard started the discussion by saying the work plan reflects the areas the OTC wants to engage in, and it's not necessarily a work plan for the agency. In preparing for today's discussion, Chair Egan had asked the status of implementation of the Oregon Transportation Plan (OTP). Jerri gave an update on the *2012 State of the System* report, which provides key information about Oregon's transportation system in performing in relation to the seven goals of the OTP:

1. Mobility and accessibility
2. Management of the system
3. Economic vitality
4. Sustainability
5. Safety and security
6. Funding
7. Partnerships

Jerri Bohard gave a status report on where we are on each of the projects the Commission has really been involved in:

- Policy Development
 - Least-cost planning

- . OTP implementation
- . Rail Plan
- . Transportation funding for the future
- Strategic Projects and Programs
 - . Columbia River Crossing
 - . *ConnectOregon IV*
 - . High-speed rail analysis
 - . Innovative pilot projects
 - . Multimodal transportation system management
 - . Operations innovation and demonstration program
 - . OSTI – Statewide Transportation Strategy
 - . Revisions to the Oregon Highway Plan mobility standards
- Fiduciary Responsibilities
 - . Assessment of large DSTIP and STIP projects
 - . Funding allocation priorities for 2015-2018
- Partner and Stakeholder Relationships
 - . Expand and enhance partnerships
 - . Policy analysis of governance issues
 - . Strategic communications

Chair Egan said strategic communication, to follow up and support OTC discussions and discussions the OTC has had with ACTs and advisory committees, would be his first priority. Do we have the best mechanisms to deliver our key measurables, like PowerPoint presentations, Twitter, etc.? Do we have the appropriate supporting data in the first place? How do we distill transportation statistics that matter, and then communicate them in a way that people get it? He would like to see staff start incorporating into all plans and discussions, the strategic communications component, which consists of, 1) appropriate supporting data, 2) concise and comprehensive explanation of data, and 3) use of the most effective mechanism to distribute message.

Commissioner Baney asked how are we connecting the plans, like Public Transit and Bike/Ped, and is there a cross-look at some of those plans and how they touch one another? She asked the regional managers what the Commission is not doing that the region managers think it should. Jerri Bohard explained that one of the first things staff recognizes about all the plans is that modification to one plan may require revisiting and modification to another related plan or plans.

Commissioner Frohnmayer asked what the next step is for the work and recommendations that came out of the Rail Funding Task Force. Jerri Bohard said it will get folded into the Rail Plan. Lynn Peterson said the Oregon Transportation Forum is working with Senator Beyer on proposed legislation.

Region 1 Manager Jason Tell said there are going to be times when the regions are going to need the Commission to jump in and be actively involved, the Columbia River Crossing Project (CRC) being a great example. More generally, things like the importance of transportation to the economy and trade are very logical, and there are lots of great reports to describe them. But when you're down on the ground floor of these conversations, and you're talking about Safe Routes to School projects, versus a new light rail line, versus a lot of other things we've talked about, you might not hear so much about those critically important projects that service industrial lands. We have to flag projects that serve industrial land to make sure we don't lose track of these projects that are critical to the state's economy.

Jason said a related issue is that in this new world we are entering, it is going to be very easy politically for many of the local jurisdictions to leave the state system as ODOT's jurisdiction, ODOT's liability, and ODOT's problem. The local system is extremely important, but we do need to keep an eye on the state system so when there are strategic funding opportunities like CRC, we stand up for that part of the system.

Jason concluded by saying ODOT doesn't have a lot of tools in its tool box to recruit and retain good employees. There are no incentive programs. He flagged this because we have a very ambitious agenda, and we want to be the best in the country, if not the world. The system we work with in the state government today is not 21st century in a lot of ways, and is not a catalyst to recruit and retain good people.

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Region 2 Manager Sonny Chickering said Jason Tell did a very good job of describing the situation for ODOT employees right now. In Region 1 and Region 2, the current workload is moving in an opposite direction from the long-term picture painted for the Commission, because in this room we're thinking years ahead. But the employees who are coming in on weekends, and putting in an additional 15 hours per week trying to get these projects cranked out, don't see that vision. Part of the challenge of region managers is to get the message down that we are thinking about the future, but in the meantime, we're trying to help you through this process as best we can.

One of the things Sonny sees working with the four ACTs in Region 2, is that Jerri Bohard's group, Transportation Development, is doing a tremendous amount of work as well. All the various plans being rolled out are taking the time, energy and effort of the Metropolitan Planning Organizations (MPO's) and the ACTs trying to keep up with the new processes and concepts. It's a lot of change to absorb, understand, and react to in a short period of time.

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Commissioner Olson asked if ODOT has flexibility as an agency to structure its compensation differently than other state agencies. Deputy Director for Central Services Clyde Saiki responded that ODOT has very little flexibility. We are restricted by statewide collective bargaining agreements and a single system through the Department of Administrative Service for unclassified, unrepresented, management service. Chair Egan

said this needs to be an agenda item for the OTC to talk specifically about workforce for the agency.

Clyde Saiki said it's about trying to maximize the control we do have. Can we take advantage of telecommuting or flexible work schedules because of advances in technology? This about changing the way we, as leaders and managers, think about work and how work is done.

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Region 3 Manager Frank Reading agreed that employees are being stretched to the limit, but added that managers are too. There is more going on in the agency than ever, and he asked for patience. We'll likely stumble at times, but we'll get up and go in the right direction.

There is the understanding that we will be doing less with less. That's going to affect the public. There will be some negative outcry, and he asked for the OTC's patience and support as we go through these difficult times.

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Region 5 Manager Monte Grove said he would not suggest adding anything more to the OTC work plan because there is already enough in there. He said this Commission has reached a sweet spot on where it ought to focus its time. Over the years, we've watched commissions do our work for us, to doing work that we will never get to, and this Commission is in the middle. This is helpful for us, and he encourages the Commission to keep doing that.

As we work through some of the program and policy issues, Monte said they will need help along the way. All of the regions will have a little different flavor of the **Enhance** program, and we'll need help going through that so at the end of the day, we get something that's best for Oregon.

In conclusion, Monte said the time the Commission is spending with the ACTs and stakeholder groups is proving to be very beneficial. He has heard numerous comments about this commission being much more approachable. The ACT commission members and stakeholders know them better, and that helps him back in the region because he does not have to talk to local government about a group that they don't know. They know who you are.

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Region 4 Manager Bob Bryant agreed there is a lot going on right now. He said his management team and staff will play to their strengths, to the degree possible. They have a lot of good things going, and they'll play to those as they navigate and integrate the changes into the work they do. It may not always be right on queue, so a little flexibility there will be beneficial. He echoed Monte Grove's comment that having those conversations, like we did yesterday with the representative from the ACTs, are very valuable. The more transparent we can be, the more the Commission can get direct input from stakeholders.

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DMV Administrator Tom McClellan said DMV is starting a fee study as it is long overdue to take a comprehensive look at vehicle, driver and record fees. This will take about eight or nine months to complete. In addition, DMV is launching a system modernization initiative, the initial planning stages for DMV's very, very old computer systems. This will be a big dollar ticket to make these changes that are desperately needed, and relate directly to DMV's ability to bring in money for the Highway Fund.

As we are getting smaller by cutting positions and cutting budgets, he said, don't lose track of the service levels of what DMV is doing for the public. There is a breaking point as services are cut where you start to hear from the public, and once you've reached that point, it's hard to course correct once your wait times and turnaround times have gotten so bad. He is very concerned about this as we right-size as an agency.

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Commissioner Olson said it's important that we all talk the same topics when meeting with the public and other officials. It would be helpful to address the monetary issues we're facing. We should know off the top of our head what's happening with the gas tax, for example. Or, that DMV fees haven't risen in "X" number of years. A short laundry list that you can commit to memory that we go out and talk to public officials, our neighbors, and friends about to bring a higher awareness of where we are. Not an excuse, but just a statement of fact that we can't cut staff and still maintain the same level of service. The federal government has cut our funding, and this is the result.

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Commissioner Lohman said he would like to see Mosaic, or least-cost planning as an agenda item in the future. In addition, we need to be able to step back periodically, and do some future thinking. What is happening in some of these areas of technology we've heard about? We're making a fairly significant commitment to electric cars. Are the early predictions coming true, and is this panning out? Are there other technologies coming down the line we need to be aware of?

Chair Egan closed the discussion by saying he would like to see this discussion as an agenda item for about an hour at one of the next meetings.

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Formal Monthly Meeting

At 1:03 p.m. the Oregon Transportation Commission and ODOT staff held a premeeting briefing session and reviewed the agenda in the Lotus Room at the Oregon Garden Main Lodge, 895 West Main Street, Silverton, Oregon. Highlights of the premeeting were:

A review of the agenda.

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Federal Real ID Act – DMV Administrator Tom McClellan updated the Commission on the upcoming January 2013 deadline to be compliant with the Federal Real ID ACT, and those areas for which Oregon is compliant and areas in which Oregon is not compliant.

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Unsolicited Proposal – Director Matt Garrett explained that the department has received an unsolicited project proposal. Discussion followed about the Commission and department roles in evaluating an unsolicited proposal.

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The formal monthly meeting was held in the Orchid Room. Chair Egan called the meeting to order at 2:14 p.m.

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Director's Report

Civil Rights – DBE Items

In October, ODOT requested an extension to a 2008 waiver, specific to the federal requirements that would allow ODOT to subdivide the use of our race and gender-conscious goals within contracts. ODOT has received notice from the Secretary of U.S. DOT approving ODOT's Disadvantaged Business Enterprise program waiver for the fiscal years of 2013-15. This amended waiver applies to those groups identified with a statistically significant disparity between the availability of those groups and the utilization of these groups. The waiver allows ODOT to implement many of the changes identified in the disparity study, including starting DBE goals on A&E projects.

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Transportation Safety – NHTSA Audit

The National Highway Transportation Safety Administrations (NHTSA) conducted a four-week audit this summer of ODOT's Transportation Safety Division. NHTSA took random sample of 29 projects, and in the 16 years he has been at ODOT, Director Garrett has never seen an audit from a federal agency come back as clean as this one. It contained zero audit findings, zero audit management considerations, and includes two commendations for the way ODOT does business.

MCTD – Inquiry on Overloaded Produce Trucks

Megan Cargill of the Community Connection Center of Northeast Oregon in La Grande contacted Gregg DalPonte with an interesting proposal. Truck drivers have called the center to ask its Warehouse Coordinator to pick up the extra produce offloaded at weigh stations to make trucks weight compliant. While allowing the center to have fresh produce for the local food bank agencies, it has proven difficult and time consuming for the coordinator and the truck drivers because they are unable to transport their forklift to the weight stations.

She asked if, in the interests of getting the truck drivers back on the road in a timely manner and at a safe weight, if it would be possible to draw up a special permit for these drivers to come directly to the center's warehouse. Not only would this help overloaded truck drivers, but it would also help avoid food being left on the side of the road to spoil, which could otherwise be used to provide food to people throughout Baker, Union, Wallowa, and Grant Counties.

The Motor Carrier Division worked out the logistics of creating a legalization permit that would allow over laden farm trucks the option to move directly from a scale location to a drop off location at Community Connection of Northeast Oregon in La Grande to offload excess weight. If this process works out for this location, perhaps this is a tactic that could be utilized elsewhere around the state.

Viewcrest – I-5 Interchange

A couple years ago, ODOT lost a jury case against a property owner at the Viewcrest interchange on I-5. The jury ruled that ODOT's "discussion" of options at the interchange, one of which was to close the interchange, amounted to a "taking" and "blighting plaintiff's land," while causing "direct economic damages." It awarded the plaintiff \$3.4 million and cost and attorney fees of \$466,000.

The state appealed, and the Court of Appeals filed its judgment on October 3 overturning the lower court's ruling, writing that evidence of ODOT's announced plans regarding the interchange did not "establish a compensable taking."

Public Comments

Public comment was received from Rob Dixon who spoke on behalf of the City of Hillsboro Mayor Jerry Willey. He provided the Commission a letter from Mayor Willey stating his appreciation for OTC's support of the vitally needed *US Highway 26-Brookwood Interchange Expansion and Related Local Roadway Improvements "IAMP"* and for the Commission's approval of the *Cornelius Pass Road Onramp "IOF"* grant. The projects funded are essential to actualize a host of current and anticipated trade related and job-creating opportunities. Realistically, however, they do not cover the expansions needed to accommodate the dramatic job increase anticipated and the high-density housing projects now going through

a City permit process. The City of Hillsboro is requesting a STIP funding commitment for the needed State funding to complete the connecting local transportation improvements on Highway 26.

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2009 Jobs & Transportation Act

The Commission considered approval of a report to go to the Oregon Legislature on the 2009 Jobs and Transportation Act. ***(Background materials in Director/Commission/History Center File, Salem.)***

Highway Division Administrator Paul Mather presented the request.

Background:

The 2009 Oregon Legislature passed the Jobs and Transportation Act (JTA), House Bill 2001. The JTA identified 37 specific projects and allocated funding to 12 local governments in eastern Oregon, for a total of 51 projects.

During the 2012 Legislative Session, the legislature passed Senate Bill 1543, requiring the Oregon Transportation Commission (OTC) to submit a report by November 1 of each year to the Interim Legislative Transportation Committees identifying funding available for reallocation as a result of projects costing less than amounts allocated in the JTA. The bill also required the OTC to provide the Interim Transportation Committees with a prioritized list of projects that require additional funding to be completed.

ODOT recommends the legislature reallocate \$10 million from the Interstate 5 at Beltline Highway Units 3, 4, 5, 6 and 7 project to the Interstate 5 at the State Highway 214 Interchange (Woodburn) project, and \$378,917.44 from the Chico Road Reconstruction project in Baker County to the Resort Street and Best Frontage Road projects in Baker County. ODOT also recommends the legislature direct the OTC to transfer unused funds (approximately \$1 million) from the Chandler Lane Reconstruction project in Baker County to fully fund the Resort Street and Best Frontage Road projects in Baker County.

Commissioner Frohnmayer moved to approve the report. 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 September 19, 2012, Commission meeting in Pendleton.
2. Confirm the next two Commission meeting dates
 - Tuesday, November 14, 2012, in Salem.

- Wednesday, December 19, 2012, in Salem.
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
 4. Approve the following Oregon Administrative Rule (OAR) actions:
 - a. Adoption of 740-045-0065 and 740-045-0075 and the amendment of 740-045-0060 and 740-045-0070 relating to Trusted Carrier Partner program for passenger-carrying motor carriers.
 5. Request approval to adopt the U.S. 26: Brookwood Parkway/Helvetia Road Interchange Area Management Plan (IAMP) and amend the 1999 Oregon Highway Plan. Oregon Transportation Commission (OTC) adoption will establish policies for the interchange areas to guide ODOT and local governments to manage the interchange facilities.
 6. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add a construction phase to the Interstate 84: Durkee – Nelson Point project in Region 5. This project is funded by Interstate Maintenance allocations. The total estimated project cost is \$12,300,000.
 7. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add a construction phase to the Interstate 5: Rock Point – Seven Oaks project in Region 3. Funding for the construction phase will come from allocations made to the Interstate Maintenance program. The total estimated cost of this project is \$5,350,000.
 8. Request approval to submit the attached, proposed proclamation to Governor Kitzhaber for his signature designating December as “Drinking and Drugged Driving Awareness Month” in Oregon.
 9. Request approval to appear before the Legislative Emergency Board in December 2012 to request an increase in Other Funds Capital Construction expenditure limitation by \$4,187,246 to remodel the DMV Portland Drive Testing Center (PDTC) in SE Portland and make necessary facility improvements at that location.

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

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Chair Egan adjourned the meeting at 2:37 p.m.

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Pat Egan, Chair



David Lohman, Member



Mary Olson, Member



Mark Frohnmayer, Member



Tammy Baney, Member



Roxanne Van Hess, Commission Support