

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
December 18, 2013
Portland, Oregon**

On Wednesday, December 18, 2013, at 10:30 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a Region 1 briefing in Conference Room 344 at the ODOT Region 1 Office, 123 N.W. Flanders, Portland, Oregon.

At 11:15 a.m., the Commission and ODOT staff met for lunch and held a premeeting agenda review and briefing session in Conference Room 344 at the ODOT Region 1 Office. Highlights of the premeeting were:

•
Review of the agenda – Matt Garrett

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PME update – Paul Mather provided a short update to the Pioneer Mountain/Eddyville project progress, and committed to a more detailed presentation at the January 2014 meeting.

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Coordination study – Hal Gard and AOC’s Ann Hanus gave an overview of the Transportation-Human Services Coordination Study, a cooperative project between ODOT, the Association of Oregon Counties, and the Oregon Department of Human Services.

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The regular monthly meeting began at 1:09 p.m. in Public Conference Room A-B, at the ODOT Region 1 Office.

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:

Acting Chair Dave Lohman
Commissioner Mark Frohnmayer
Commissioner Tammy Baney
Director Matthew Garrett
Chief of Staff Dale Hormann
Trans. Development Div. Admin. Jerri Bohard
Communication Div. Admin. Patrick Cooney
DMV Division Administrator Tom McClellan

Trans. Safety Division Administrator Troy Costales
Highway Division Administrator Paul Mather
Region 1 Manager Jason Tell
Region 2 Manager Sonny Chickering
Region 3 Manager Frank Reading
Region 4 Manager Bob Bryant
Region 5 Manager Monte Grove
Commission Assistant Jacque Carlisle

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Acting Chair Lohman called the meeting to order at 1:09 p.m.

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Director's Report

Oregon Sustainability Award

The Oregon Department of Transportation was this year's winner of the Governor's Oregon Sustainability Award in the "Leadership" Division. Every year, the Oregon Sustainability Board and Business Oregon honor five Oregon companies for their commitment to sustainable business practices. Secretary of State and Sustainability Board Chair Kate Brown said: "I'd like to commend these businesses for their efforts to keep Oregon at the forefront of the national movement toward sustainability."

This is the first time since the award program started in 2006 that a state agency has received the award. ODOT was commended for its leadership among state agencies in Oregon, as well as Departments of Transportation across the nation. ODOT was the first state agency to create a Sustainability Plan, and it was the first DOT in the nation to create a Sustainability Plan and a Sustainability Program.

During the award ceremony, ODOT was recognized for its sustainability practices within the agency, such as its fleet operations and facilities management, as well as being a national leader in innovative programs, such as the Solar Highway Program. Director Garrett said that this award goes to all the people in ODOT who worked hard to make this happen – from the maintenance crews who figured out how to use biodiesel in our fleets, to the ODOT team who worked on the T-Building renovation to get a "Platinum" LEED designation.

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Oregon City Arch Bridge Receives Award

Director Garrett acknowledged the Region 1 crew, who won a national award for the Oregon City Arch Bridge. At its June annual meeting in Pittsburgh, the International Bridge Conference (IBC) awarded the Oregon City Arch Bridge Rehabilitation Project the "Abba G. Lichtenstein Medal." The IBC gives the medal "for recent outstanding achievements in bridge engineering, demonstrating artistic merit and innovation in the restoration and rehabilitation of bridges of historic or engineering significance." Lichtenstein, for whom the medal is named, was a leader in this field.

The IBC is the pre-eminent arena for the bridge engineering industry in North America, Europe, and Asia. This year, the 31st annual conference attracted participants from 48 states and 17 countries. The IBC awards medals internationally in several categories, including recent outstanding achievements in 1) bridge design, construction, and research; 2) technical and material innovation; and 3) historic bridge restoration and rehabilitation.

The Oregon City Arch Bridge Rehabilitation Project has garnered other awards in addition to the Lichtenstein Medal. These include:

1. Oregon Heritage Commission's "Oregon Heritage Excellence Award"
2. Oregon Concrete and Aggregate Producers Association (OCAPA) "Award for Bridge Restoration"
3. First Place in Public Works/Infrastructure/Transportation in the *Portland Daily Journal of Commerce's* Top Projects for 2013.
4. American Council of Engineering Companies of Oregon (ACEC) "Honor Award"
5. Public Relations Society's "Award of Merit"

Director Garret said these things just don't happen –they are made to happen by professionals. He saluted the following individuals who were in attendance: Bob Hadlow, Chris Leedham, Tim Smith, Rick Keene, Wayne Statler, and Eric Bonn from OBEC.

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Cathy Nelson Retiring

ODOT Technical Services Manager/Chief Engineer Cathy Nelson is retiring. Director Garrett said Cathy started her career with ODOT as an Engineering Trainee (Student Worker) in 1980 and worked three years as a seasonal employee. After graduation in 1983, she was hired as a Structural Engineer and worked for seven years doing preliminary design, structural analysis, quantity estimates, construction details, and specification reviews. In 1990, Cathy was asked to work on the Performance Measurement Program, and eventually managed the implementation of permanent measurements for crews and management teams involved in highway operations.

Over the next few years, Cathy continued to grow with ODOT as the Metric Coordinator, Value Engineering program manager, Structural Engineering Manager in the Bridge Section, Engineering Section Manager, and lastly, the Technical Services Manager/Chief Engineer.

Cathy has been a key member of several national professional committees with AASHTO, as well as the NCHRP, for which she was the chair of two programs. She also participated on the Oregon Transportation Research and Education Consortium, National Institute for Transportation and Communities Board of Advisors, and the OSU School of Civil and Construction Engineering Industry Advisory Board.

Director Garrett said there is no combination of words to describe his appreciation for what Cathy Nelson has done for the Oregon Department of Transportation, other than, "Thank you for being who you are. You have made us better."

FHWA Division Administrator Phillip Ditzler joined Director Garrett to present Cathy Nelson with the FHWA Public Service Award. Mr. Ditzler congratulated Cathy on her retirement and read a letter from FHWA Administrator Victor Mendez presenting Cathy the Federal Highway Administrator's Public Service Award. Cathy was presented a plaque that said, "In appreciation of your many contributions to the Federal Aid Highway Program in the State of Oregon, and for making Oregon a national leader in transportation."

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Public Comments

There were no public comments.

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Scenario B STIP Recommendations

The Commission considered approval of projects in Scenario B recommendations for inclusion into the 2015-2018 Statewide Transportation Improvement Program (STIP). The list represents those projects that would be funded using \$42 million of discretionary funding allocated by the Oregon Transportation Commission (OTC). Inclusion of these projects into the STIP then provides for a public review of all projects being proposed, with OTC approval of the 2015-2018 STIP in 2014. **(Background materials in Director/Commission/History Center File, Salem.)**

Background:

As part of the **Enhance** process, 20 percent of the funds (\$42 million) were set aside for the OTC's discretion. In the 2015-2018 **Enhance** process, the discussion of these funds came about after the Area Commissions on Transportation (ACTs) had finished work on their 100-percent lists. At the September OTC meeting, the Commission supported the following list of criteria to identify potential projects to be funded with the funds set aside:

- *the proposed project is consistent with the priorities of the ACTs in the region*
- *the proposed project is consistent with statewide policy direction of the Oregon Transportation Plan and the Freight Plan*
- *the proposed project is located on either a statewide or interstate route, or the project needs to justify why it is beneficial to the statewide system*
- *the proposed project is a freight route or a part of the National Highway System*
- *the benefits to the proposed project (primarily an assessment of economic benefits) go beyond the area in which it is located, and the proposal describes those benefits*
- *the appropriate planning work for the proposed project is completed and has been vetted as a priority, and a description of those efforts is provided*
- *the proposed project can articulate how it benefits safety*
- *the proposed project can articulate how it benefits all modes*

This direction was shared with region managers. Each region submitted projects determined to meet the criteria. The information was reviewed and assessed to determine which projects should be included in the 20-percent list. Based on that review, the department developed two scenarios: one in which the emphasis was on development of shelf projects (Scenario A); and the other with an emphasis on completion of larger construction projects (Scenario B). Both scenarios provide information on how the regions prioritized the project, the requested funding, proposed funding, and whether the project falls into the Development STIP or the Construction STIP category.

Discussion:

Highway Division Administrator Paul Mather started the discussion by giving an overview of how we got to where we are today with the two scenarios. ODOT's recommendation is to adopt the projects in Scenario B, and the formal action requested is to move projects that make up the \$42 million, 20-percent list into the Draft STIP. Next month, all the projects (***Enhance, Fix-It,*** and 20-percent) will be gathered for formal action to add these to the Draft STIP, which will be out for public review. The OTC will consider final approval next year. Paul answered clarification questions from the OTC on Highway 97, bus service, and Cornelius Pass.

Metro Council member Andy Cotugno testified that he was puzzled about the lack of funding for ITS projects, which are a very cost effective way of getting the most out of the system you already have. Region 1 had three ITS projects that came out of the STIP Committee selection process to be pursued, the 24/212 ITS, the U.S. 26 ITS, and the McLoughlin Blvd. corridor. The best time to do ITS is when a big change is happening. When the Sunrise Corridor is completed, having an ITS system that goes with it is the best time to market to the public. The same is true of the McLoughlin corridor.

The U.S. 26 corridor is very congested. There are changes coming to the Metro-operated institutional group of facilities around the zoo area, with the development of a TMA to manage destination demand. It would be nice to manage destination demand and facilities demand as an integrated system. They do complement each other, and it seems short-sighted to not have it happening at the same time.

Commissioner Lohman asked if Metro had suggestions for things to take off the list in order to fund these ITS projects. Mr. Cotugno said he just saw the recommendations an hour ago, so there hasn't been time to contemplate what could be unfunded.

Commissioner Lohman said Mr. Cotugno makes some good points, and this is a good example of the overall issue of having to make tough choices when there isn't enough money.

Director Garrett clarified that Metro was actively involved in the Greater Region 1 STIP process. The ITS project made it to the 80-percent list in the process, but was not moved forward to the 100-percent list, so it floated to the 20-percent list. Mr. Cotugno said that was a fair articulation.

Commissioner Baney asked if this transition toward alternatives to move congestion will allow opportunities to look for ways to enhance and integrate some ITS into the projects proposed for funding. Paul Mather responded that he was not aware of any projects that have significant ITS improvements outside of those already identified.

Commissioner Baney proposed that any savings from other projects be used for ITS projects. We may be experiencing a little bit of the vague guidance the regions received, and this is a good discussion to define that as we move forward in the next STIP process. This would be a way to show the OTC's support without course correcting while in the middle of this process. Paul Mather said it was doable, but this is our first time through this process, and he would have to come back with details. He suggested as part of today's action, it be noted that if we do

have savings, these ITS projects be the first priority when staff comes back with recommendations for additional projects to fund with the savings.

Director Garrett said Commissioner Baney's proposal is legitimate. That said, he cautioned that what we've seen in terms of a very favorable bidding environment, is shifting. So while it's easy to say we'll do that, the physical realities may dictate that we might not realize savings. He suggested revisiting the **Fix-It** conversation because it does contain a list of ITS projects. A cut line is going to appear somewhere, and projects are going to be below it. But if the Commission is comfortable, we can pursue both of those fronts and embrace Commissioner Baney's language with the hopes the bidding environment maintains opportunity for us and gives us another pot of money we can revisit in light of this conversation.

Action:

Commissioner Baney moved to approve moving forward with Scenario B for inclusion in the 2015-2018 STIP. Commission members unanimously approved the motion. The OTC also gave guidance to move Commissioner Baney's proposal forward.

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ConnectOregon Rule Amendments

The Commission considered a request to approve adoption of rule changes associated with the ConnectOregon program. The rule changes are proposed amendments to OAR 731-035-0010, 731-035-0020, 731-035-0050, 731-035-0060 and 731-035-0080. Transportation Development Division Administrator Jerri Bohard and ODOT Freight Program Manager Chris Cummings presented the request. **(Background materials in Director/Commission/History Center File, Salem.)**

Background:

The 21-day comment period for rulemaking ended November 21, 2013. The draft rule was sent to a list of small business groups, internal reviewers, and the Department of Justice. The draft rule and other information about the rulemaking process was placed on the ODOT rulemaking website: http://www.oregon.gov/ODOT/CS/RULES/Pages/other_actions.aspx. During the public comment period, staff received one comment letter. The comment letter is from the law firm Dunn, Carney, Allen, Higgins & Tongue, representing Union Pacific Railroad.

Key changes in the rule are the result of the 2013 session of the 77th Oregon State Legislature, which passed Senate Bill 260 and House Bill 5008 that modified the ConnectOregon program. The proposed amendments are needed to implement these bills. Specifically, the rules address the following changes:

Senate Bill (SB) 260 (2013)

- *add provisions for the inclusion of bicycle/pedestrian as an eligible funding mode for ConnectOregon projects*
- *clarifies rules around Oregon Department of Aviation's administrative responsibilities*

- *adds language regarding provisions of SB 260 that pertain to certain grant prohibitions for railroads that operate wholly within Linn and Benton Counties*

House Bill (HB) 5008 (2013)

- *slightly modifies the disbursement of program funds paid on a reimbursement basis*
- *five percent of awarded funds will be withheld from each reimbursement request and will be released to recipient as conditions are met*
- *eighty percent of withheld funds will be released upon final project acceptance by ODOT*
- *twenty percent of withheld funds will be released upon receipt of a project report that describes project performance measures and jobs retained or created in accordance with 731-035-0080(3)(d)(1)*

Based on the comment letter received from the law firm, staff made additional changes:

- *slight change to the language about bicycle and pedestrian modes*
- *slight change to the definition of "Recipient's Total Project Costs"*
- *slight change to the term "Total Project Costs"*
- *staff concurred that there was an error in 731-035-0080(3)(d)(B) in that it was an erroneous reference to a nonexistent rule, and removed the reference because it was unnecessary*
- *staff agreed with moving proposed subsection (5)(f) of 731-035-0080, about failing to submit a project report, to subsection (4)(f)*

The second aspect of the comment letter was about specifying the sanction. While staff did not concur with the proposal, the possibility of sanctions will be addressed in the intergovernmental agreement (IGA) developed between the applicant and the agency.

Upon Commission approval of the rule amendment, staff will move forward with the ConnectOregon V selection process. The selection process consists of review by six modal and five regional committees. Modal committees will review and rank applications in February and March 2014. Regional committees composed of Area Commissions on Transportation (ACTs) members will rank applications in April and May 2014. A final review committee, composed of representatives from the 11 modal and regional committees, will review and rank applications in June 2014, and develop a recommendation to the OTC for funding. A public hearing on the proposed projects should occur at the July OTC meeting.

Discussion:

ODOT Freight Program Manager Chris Cummings gave a brief recap of the Administrative Rule updates for *ConnectOregon* presented for approval. The 2013 Legislature passed *ConnectOregon V*.

Senate Bill (SB) 260 appropriated \$42 million in Lottery Funds for *ConnectOregon*, and added the bicycle and pedestrian mode as a single mode to *ConnectOregon*, in addition to aviation, transit, rail, and marine modes. The bill also added the Bicycle and Pedestrian Advisory Committee as the committee that would review bike/ped projects and advise the Commission on those projects. SB 260 added and changed language in how ODOT works administratively with the Department of Aviation in funding aviation projects, and added a provision that

prevents a railroad, which exists solely within Linn and Benton Counties and charges a fee for crossing its tracks, from receiving *ConnectOregon* funds.

House Bill (HB) 5008 is a budget note that adds language for ODOT to withhold retainage from payments to grant recipients. Five percent of each reimbursement will be withheld, with 80 percent of that amount (four percent of the total grant) to be released when the applicant finishes the project, and 20 percent of the withholding (one percent of the total grant) to be released when the applicant submits a performance measure report.

Action:

Commissioner Baney moved to adopt the rule changes associated with *ConnectOregon* grants. Commissioners Lohman and Frohnmayer unanimously approved the motion.



ODOT and Oregon Health Authority Partnership

The Commission received an informational presentation about the partnership between Oregon Health Authority, Public Health Division, and the Oregon Department of Transportation from Transportation Development Division Administrator Jerri Bohard, Sustainability Program Manager Margi Bradway, and Public Health Division Policy Officer Michael Tynan. The Memorandum of Understanding (MOU) was reviewed. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

The purpose of the presentation is two-fold: first, to provide background on the relationship between the two agencies, which led to the development of the joint policy objectives outlined in the MOU; and, second, to present specific examples of work items on which the two agencies are currently collaborating.

Oregon Health Authority, Public Health Division, and the Oregon Department of Transportation recognize they have similar goals and interests to ensure the wellbeing of Oregonians. Increasing safety, expanding access to a variety of transportation options, and integrating health-enhancing choices into transportation planning has the potential to save lives by preventing chronic diseases, reducing motor-vehicle-related injuries, and ensuring access for all people.

OHA-PHD and ODOT began meeting on a regular basis more than a year ago to discuss differences and commonalities. These meetings were instrumental in understanding cultural barriers between the agencies, as well as identifying mutual objectives. The result of those meetings is the MOU, the purpose of which is to guide the agencies to work collaboratively to identify, develop and promote connections between public health and transportation. The MOU identifies four primary areas for collaboration:

- 1) ongoing communication and planning*
- 2) encouraging safe and active transportation*
- 3) joint research and data analysis*

4) *leveraging opportunities, both financial and programmatic*

As part of this process, OHA-PHD and ODOT identified work items the two agencies can take action on in the near future.

Presentation:

Oregon Health Authority Policy Director Michael Tynan talked about the factors that affect the health pyramid. He said when most people think about health, they think about health care, but health care is only a small factor of health. The largest impact to health is socioeconomic factors, like poverty, education, housing, inequality, access to transportation, etc. These are all things that affect how people live.

In the last 10-15 years, public health officials have worked to influence health by promoting healthy living and by making unhealthy living less attractive. Healthy living is promoted by such things as smoke-free laws, fluoridation of water, trans fat bans, iodine in salt, or lower prices of healthy fruits and vegetables. Unhealthy living is discouraged by such things as raising the price of cigarettes or sugar-sweetened beverages. Public health now wants to dig down deeper in socioeconomic factors at how the environment can be changed to promote a healthier environment.

Sustainability Program Manager Margi Bradway talked about the overlap of health and transportation. Highlights of her presentation were:

- o transportation is a social determinant to health
- o relationship building – the first step is to understand cultural differences
- o purpose of the Memorandum of Understanding (MOU) is to build mutual understanding, identify joint policy objectives, and to build framework to promote connection between public health and transportation
- o joint policy objectives are:
 - a) communication and planning
 - through quarterly meetings between agencies
 - Area Commissions on Transportation (ACTs) and Health Community Coalitions (HCCs) meetings
 - health representatives on key ODOT stakeholder committees
 - b) safe and active transportation
 - safety – a joint effort to reduce crashes/fatalities, collaboration on OHA-PHD’s Safety Pedestrian Plan and ODOT’s Safety Action Plan
 - bike/pedestrian – identify joint opportunities to promote bike/ped activities, and share data and analysis relating to same
 - c) research and data analysis
 - modeling – Oregon Modeling Steering Committee integrating health into transportation models
 - research – an example would be a joint effort to improve emergency medical systems and share trauma data
 - data collection – collaboration on statewide surveys
 - health impact assessments – on state, regional and local scale
 - d) leveraging opportunities

- funding – support efforts to obtain funding through federal grants
- government relations – work to support and articulate joint goals

Discussion:

Commissioner Baney said it's important to underscore this opportunity. It's not just a feel-good measure, it's a way to do business and leverage the funds available by working across boundaries. We have to leverage our funds, and leverage our priorities in a way that maximizes to get the best benefit for those we are here to represent, and address their needs in a coordinated fashion.



Director Garrett took a moment to acknowledge Washington Transportation Commissioner Philip Parker in the audience. Commissioner Parker gave public comments on the parallels between Washington and Oregon. He commended the OTC for the effort it takes to work to a solution that works for the state. On behalf of the Washington Transportation Commission, he wished the Oregon Transportation Commission and ODOT staff happy holidays.



Intelligent Transportation Systems (ITS) Initiatives in Oregon

The Commission received an informational report about selected system operations and Intelligent Transportation Systems (ITS) initiatives in Oregon from Highway Division Administrator Paul Mather and ITS Manager Galen McGill. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

Effective operation of the transportation system is a significant theme of the Oregon Transportation Plan. The second goal of the Oregon Transportation Plan is to improve the efficiency of the transportation system by optimizing the existing transportation infrastructure capacity with improved operations and management. The presentation provided the Commission an overview of the current status of specific innovative system operations and ITS initiatives under way within Oregon designed to implement this goal.

Presentation:

Paul Mather introduced Galen McGill who talked about many of the exciting things going on in the department, and some of the things on the horizon. Galen McGill is a national leader involved in many national committees dealing with both urban and rural ITS applications.

Highlights of the presentation were:

- a smart transportation system – key trends are that our world is becoming instrumented and interconnected, and that all things are becoming intelligent
- ODOT created a smarter transportation system with improved signal software changing how arterials are managed: adaptive traffic signal control
- innovative signal controlled projects

- the number of law enforcement, firefighters, towing professionals, incident responders and highway workers killed by vehicles is a national issue
- Traffic Incident Management and the National Traffic Incident Management Coalition
- sources of congestion include bad weather, bottlenecks, traffic incidents, work zones, special events, poor signal timing, disabled vehicles, landslides
- SHRP 2 Traffic Incident Management (TIM) responder training is a consistent national training program for all responders, and creates a common set of practices
- Oregon 911 computer-aided dispatch (CAD) interconnect project
- OnStar incident notification
- traveler information systems like TripCheck
- active traffic management (ATM), high crash frequency on Oregon 217 and ITS equipment put in place to mitigate
- queue warning system
- congestion responsive variable speed limit
- weather responsive components
- the Multnomah Falls project

Discussion:

Commissioner Baney supports having the ITS unit be larger for the division to make sure we are really investing to assure there are the necessary resources to continue this effort.

Action:

After the meeting, Paul Mather took the Commission members to the Command Center to see some of these applications in real time.

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Rest Area Funding

The Commission considered a request for direction on addressing the revenue shortfall to fund Oregon Travel Information Council’s (OTIC) management and operation of Oregon rest areas. ODOT Director Matthew Garrett requested the direction. **(Background materials in Director/Commission/History Center File, Salem.)**

Background:

The Department of Transportation, pursuant to Section 17 of House Bill (HB) 1591 of the 2012 Legislative Session, is directed to proportionally reduce the amount of allocations to the Oregon Travel Information Council (OTIC) set to take effect January 2, 2014, to the 2013 allocation amount of \$4.96 million, and to modify the intergovernmental agreement between the Oregon Department of Transportation (ODOT) and OTIC to not transfer responsibility for the additional six rest areas identified in Section 15 of HB 1591. ODOT is further directed to negotiate with OTIC for a mutual modification of the intergovernmental agreement that would provide additional short-term highway maintenance funding to the Rest Area Program in exchange for OTIC committing to additional future rest area responsibilities.

In 2012, the Oregon Legislature approved a series of annual payments to the Oregon Travel Information Council for operating specific roadside rest areas in Oregon. The legislation (HB 1591) added four rest areas in 2012 to the seven already under OTIC purview. It also added nine more in 2013 and another six in 2014 for a total of 26 rest areas. The bill included increases in annual allocations to OTIC from the department commensurate with the additional responsibilities. The Oregon Transportation Commission was authorized to suspend or proportionally reduce the amount of the allocations if collections of designated fees are suspended or not fully realized.

Revenue for the transfers is derived from an interagency agreement with the Department of Administrative Services (DAS) to furnish Oregon driver records by online methods. DAS pays the department for an exclusive license to distribute these records electronically, based upon a market analysis of fees charged by other state motor vehicle agencies. The current rate of \$6.63 includes a cost recovery fee of \$2.00 and a "fair value" amount of \$4.63 per record. The "fair value" amount was designated by the legislature for the OTIC payments.

In 2012, the Oregon State Legislature anticipated about \$9 million per year from this revenue source. However, the number of driver records purchased online is far less than forecasted in 2012. The current forecast is about \$5 million per year from the "fair value" collections. The OTIC received \$4.96 million in January 2013, and is slated to receive \$6.5 million in January 2014 and subsequent years.

Given this shortfall in identified revenue, ODOT has entered into negotiations with OTIC to address the funding shortfall. The proposal is to make a short-term transfer of funds (2014 and 2015) in exchange for a long-term commitment by OTIC to take on additional rest areas starting in 2016. By delaying the transfer of the additional rest areas, OTIC would have two additional years to find new revenue for the additional responsibility, and/or find ways to generate new revenue from the rest areas.

The current proposal under discussion specifically includes:

- *ODOT would agree to transfer the full \$6.5 million stated in the bill in years 2014 and 2015. In 2016 and beyond, the only transfer would be the revenue available in the "convenience fee." No additional Highway Funds would be transferred. This would allow two years to develop a revenue generating program and for legislative work on new revenue.*
- *OTE, as outlined in its proposal to ODOT, agrees to take on two additional rest areas in 2014 (Deadman's Pass and Suncrest) with no additional funding.*
- *OTE agrees to take on five additional rest areas in 2016 with no additional ODOT funding. These five rest areas are:*
 - *U.S. 97 – Midland, Beaver Marsh and Cow Canyon*
 - *U.S. 26 – Sunset*
 - *Interstate 5 – Ashland*

ODOT asks the Commission, because of the revenue shortfall, to direct ODOT to reduce the 2014 allocation to OTIC for rest area operation to the 2013 level and to modify the intergovernmental

agreement to not include the six rest areas scheduled to be added to the program in 2014. ODOT will continue to negotiate an amendment to the intergovernmental agreement with OTIC that is similar to the proposal set forth above, and that may provide for an agreed temporary delay in the transfer of the funds and rest areas. ODOT also requests that authority be delegated to the director to negotiate the amendment and determine whether to accept and include any specific proposal.

Discussion:

Director Garrett gave a brief history of Senate Bill 1591, the transfer of rest area operations from ODOT to OTIC, and the innovative revenue streams identified to fund the transfers. He said that, unfortunately, revenue forecasts have not been realized, and a funding gap of about \$3 million per biennium exists.

Director Garrett is of the opinion that we do everything we can to align our expenditures with our revenue. What that entails for ODOT is to look at the footprint of the agency, and whether through our people, our programs, or our projects, align those two issues. The State Highway Trust Fund is shrinking, for a variety of reasons, and moving in the wrong direction with no catalyst in sight to tilt it up in the right direction. At best, it will plateau, and at worst, continue to move downward.

The proposal Director Garrett presented recognized that fiscal reality. He said the importance of rest areas is not lost on him. He wants to arrive at a favorable outcome, and is trying to figure out how to do this while still being prudent. He said let's use what is imbedded in House Bill 1591 to look at the revenue streams, and align the direction of this partnership with the realities of revenue. It is in the best interest of the agency, and the best business decision for the agency to delay the transfer of funds and properties that come January 1, 2014. That said, Director Garrett is committed to use the resources of this agency to continue to look for financial opportunities in the areas of sponsorship, advertisement, or vending. These are pathways that have not been explored to date.

Oregon Travel Information Council Chair Gwynn Baldwin said the partnership between ODOT and OTIC has been incredibly valuable, and she believes both are committed to the transfer of the rest areas. If no intervention is taken, on January 1, \$6.55 million will transfer, along with the six rest areas, and be managed in the Oregon Travel Experience (OTE) model as outlined in HB 1591. So the question is, what intervention, if any, should be taken to direct or modify that? OTIC agrees that completing the system with the Deadman Pass and Suncrest Rest Areas makes complete sense, and they are willing to do that with the \$6.55 million allotted under HB 1591. OTIC also thoroughly commits to partnering on innovative diversification of funding streams.

Ultimately, she said, the decision about biennial funding resides with the legislature. So, having a conversation about a firm commitment on rest areas OTIC will take on, out of context and irrespective of those legislative conversations, doesn't make sense. OTIC is 100 percent behind working hard the next two years to build a package to complete the transfer. The \$6.55 million, the rest areas, the two additional rest areas (Suncrest and Deadman Pass), and working diligently over the next two years for diversification of funding streams are all 100

percent supported by OTIC. OTIC stops, however, at committing to the additional rest areas, (Ashland and the others), without any sense of how that combines with the legislative funding package. Will they work toward it? Absolutely. Can they commit today to taking them over without any regard or respect for funding that comes with it? That would not be prudent.

OTIC's proposal is to affirm the continuation of HB 1591 with a direction to modify the IGA to include Suncrest and Deadman Pass, as well as our collective agreement to work together on a robust, broad-based transportation package for 2015, that would include expansion of rest area management by OTE.

Oregon Trucking Association (OTA) Vice President Bob Russell said the demand for truck parking is going to increase significantly, and soon, because improvements in the economy are putting more trucks on the road, and new Federal Motor Carrier Safety Administration requirements are limiting how long drivers can be on the road. OTIC has committed to the trucking industry to do everything in its power to maintain and expand truck parking at the facilities it operates. Not only would they provide the parking, but the restrooms would be clean, and the parking would be safe. Before OTIC took over, conditions in some of the rest areas were so poor truck drivers would not park in them to get the required rest.

OTA currently pays 33 percent of the State Highway Fund. It views this as a significant priority and urges the OTC to make the \$6.55 million transfer to OTIC as planned, instead of the \$4.96 million if ODOT intervenes. However, OTA also supports OTIC and ODOT working together to find new sources of revenue to fund the rest areas, so more of the Highway Fund can be used on maintenance, preservation, and modernization of our highway system.

Commissioner Frohnmayer asked if the OTA would be in support of increasing revenue to the Highway Fund to help make up the approximately \$1.5 million gap? Bob Russell said there are still unknowns, and OTA cannot commit to unconditionally support a transportation funding package at this time. However, he does commit to being at the table and actively involved with the discussion. We have to keep investing in the highway because that's where its members make their living.

Director Garrett said he would be remiss if he did not note that he was not comforted by the fact that the Oregon Trucking Association was party to a lawsuit that could compromise the revenue stream that goes into the Highway Trust Fund.

Craig Campbell from Victory Group gave a brief clarification of House Bill 1591 and the history of funding rest areas.

Director Garrett proposed the OTC take action to stop the automatic increase in annual funding from \$4.96 million to \$6.55 million, and stop the Oak Grove, Cabin Creek, and Gettings Creek Rest Areas from being automatically added to the list of rest areas managed by OTIC, pursuant to Section 17 of House Bill 1591 of the 2012 session, and to enter into an Amendment No. 1 to the Intergovernment Agreement (IGA) between ODOT and OTIC to reflect that. In addition, enter into Agreement No. 2 to the IGA between ODOT and OTIC to continue annual funding of \$4.96 million, and add an additional amount of \$1.59 million on March 1, 2014, and again on

January 2, 2015. It also adds back in the Oak Grove, Cabin Creek, and Gettings Creek Rest Areas, plus the Deadman Pass and Suncrest Rest Areas for OTIC management on March 1, 2014. Amendment No. 2 also commits ODOT and OTIC to work together on new funding, and during legislative session, to fund rest areas.

Action:

Commissioner Baney moved to accept Director Garrett's proposal. Commission members Lohman and Frohnmayer 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 November 20, 2013, Commission meeting in Salem.
2. Confirm the next two Commission meeting dates:
 - Thursday, January 16, 2014, meeting in Salem
 - Thursday, February 20, 2014, meeting in Salem
3. Request approval to adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request approval of the following Oregon Administrative Rules:
 - a. Amendment of 731-147-0010, 731-147-0040, 731-149-0010 relating to procurement updates; implementing HB 2212.
 - b. Temporary adoption of 734-051-8010, 734-051-8015, 734-051-8020, 734-051-8025, 734-051-8030 related to Access Management; implementing SB 408.
 - c. Adoption of 735-010-0250, 735-0018-0130 and the amendment of 735-080-0010 relating to ODVA notification; implementing HB 2421.
 - d. Amendment of 735-062-0007 and 735-062-0010 relating to driver license and ID card expiration under specific circumstances; implementing HB 2517.
 - e. Amendment of 735-062-0385 relating to drive test for person with limited vision condition; implementing SB 288.
 - f. Amendment of 735-064-0070 and 735-070-0082 relating to medical exemption from use of ignition interlock device; implementing HB 2116.
 - g. Amendment of 735-070-0185 and 735-070-0190 relating to drug and alcohol testing of bus drivers; implementing SB 193.
 - h. Amendment of 735-072-0035 relating to the update of DMV conviction tables; implementing SB 444.
 - i. Amendment of 735-150-00445 relating to vehicle dealers and dismantlers; implementing HB 2263.
 - j. Amendment of 740-200-0010 relating to MCTD's annual readoption of IRP, IFTA, HVUT regulations.
 - k. Amendment of 741-040-0040 relating to rail infrastructure notification; implementing SB 810.

5. Receive the final annual report on the effects of implementing driver license and identification card issuance standards as required by the Oregon Legislature in 2008.
6. Request endorsement of statewide consensus priorities for reauthorization of Moving Ahead for Progress in the 21st Century (MAP-21).
7. Request approval of the following summary of financial charges incurred by the Oregon Department of Transportation director for the fiscal year ended June 30, 2013.
8. Request approval to adopt the Alternative Mobility Targets for the Oregon Highway Plan (OHP) on the Oregon Coast Highway (U.S. 101, State Highway 9) in the South Beach portion of Newport, Oregon, at intersections with SE 32nd Street (milepoint (mp) 142.22), SE 35th Street (mp 142.33 (approx)), SE 40th Street (142.61), and South Beach State Park/realigned SE 50th Street (mp 143.35).
9. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add the U.S. 20 at Suttle Lake Drainage project in Region 2. Project funding will come from savings realized in Region 2 Operations funds. The total estimated cost of this project is \$750,000.
10. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to cancel project, Oregon 42 Expressway Upgrade. The money will be used to fully fund two existing projects in the STIP. The projects were identified by the Oregon Department of Transportation (ODOT) and Douglas County as being mutually beneficial to the state and local transportation systems. These include: KN17918 Oregon 42: Grant Smith Road to Interstate 5 Ramp Extension and KN17121 Hwy 99: Interstate 5 Exit 120 to Happy Valley Road.
11. Request approval for the Port of Umatilla's request to fund the Port of Umatilla – Log Reload Facility project with \$336,000 from the Multimodal Transportation Funds (MMTF) fund in Region 5.

Action:

Commissioner Frohnmayer moved to approve the Consent Calendar. Commissioners Lohman and Baney unanimously approved the motion.



Acting Chair Lohman adjourned the meeting at 4:23 p.m.

Not Present	
Pat Egan, Chair	Tammy Baney, Member
	
David Lohman, Member	Mark Frohnmayer, Member

Not Present	<i>Roxanne Van Hess</i>
Mary Olson, Member	Roxanne Van Hess, Commission Support