

**OREGON TRANSPORTATION COMMISSION**

**Minutes of the Formal Monthly Meeting  
October 9-10, 2013  
Silverton, Oregon**

On Wednesday, October 9, 2013, at 8:30 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff met to hold the annual workshop and formal monthly meeting in the Orchid Room of the Main Lodge at the Oregon Gardens, 895 West Main Street, Silverton, Oregon. That evening, the OTC held a working dinner with the ODOT Executive Staff, Region Managers, and OTC members in the Lotus Room.

On Thursday, October 10, 2013, at 9:00 a.m., the OTC and ODOT staff continued the Annual Workshop in the Orchid Room at the Oregon Gardens.

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

Commission Chair Pat Egan	Public Transit/Rail Div. Administrator Hal Gard
Commissioner Dave Lohman	Motor Carrier Div. Administrator Gregg Dal Ponte
Commissioner Mark Frohnmayer	Transportation Safety Div. Admin. Troy Costales
Commissioner Mary Olson	Region 1 Manager Jason Tell
Commissioner Tami Baney	Region 2 Manager Sonny Chickering
Director Matthew Garrett	Region 3 Manager Frank Reading
Central Services Deputy Director Clyde Saiki	Region 4 Manager Bob Bryant
Chief of Staff Dale Hormann	Region 5 Manager Monte Grove
Trans. Development Div. Admin. Jerri Bohard	Government Relations Manager Betsy Imholt
Communication Div. Admin. Patrick Cooney	Technical Services Manager Cathy Nelson
DMV Division Administrator Tom McClellan	Commission Assistant Jacque Carlisle
Highway Division Administrator Paul Mather	

**Wednesday, October 9**

Chair Egan called the meeting to order at 8:36 a.m.

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**Workshop Item 2**  
**2015-2018 STIP Enhance Process Evaluation Results**

The Commission received an informational presentation from the Oregon Department of Transportation and JLA Public Involvement regarding the results of the 2015-2018 Statewide Transportation Improvement Program (STIP) **Enhance** process evaluation. Each of the region managers spoke afterward to provide information on their specific region's 100-percent list, region potential use of 20-percent funds, and additional regional transportation needs. *(Background materials in Director/Commission/History Center File, Salem.)*

**Background:**

*The Oregon Transportation Commission approved the new **Enhance** process for the selection of 2015-2018 STIP projects in order to allow for a more flexible process that ensures a holistic approach to financing the transportation system. This process also aims to help the department meet important multimodal and intermodal goals.*

*In preparation for the 2017-2020 STIP, the department engaged in an evaluation process on how the **Enhance** process worked for STIP participants, including both applicants and reviewers. The department worked with JLA Public Involvement to conduct an online survey and targeted interviews. JLA Public Involvement outlined the overall results of the survey and targeted interviews in an executive summary, and prepared summaries of the interviews and survey results*

*The 2015-2018 STIP **Enhance** process evaluation highlighted five issue areas that merit further discussion prior to pursuing specific modifications and improvements as part of the next STIP cycle. The five issue areas, with potential department activities, include:*

*Training: Although generally content with the information provided by the department staff, the results of the surveys and interviews show that both applicants and reviewers desire more guidance and technical assistance to help prepare and review applications. Therefore, the department should explore ways to assist applicants and reviewers more effectively through additional outreach or technical assistance opportunities.*

*Process: In terms of process improvements, some recommendations to consider include the development of a preapplication or the issuance of a notice of intent. In addition, the results of the evaluation show that the role of the Oregon Freight Advisory Committee and the joint Oregon Bicycle and Pedestrian and Transportation Enhancement Committees requires modification to ensure the productive involvement of these committees. Lastly, the surveys and interviews highlighted the regional differences in the application review process. The department should explore this issue further and identify where flexibility is warranted, and consistency is needed.*

*Clarifying Key Terms: Due to confusion over terminology, the department should also consider defining key terms used in the **Enhance** process. This may include outlining the differences between projects of statewide, regional, and local importance.*

*Criteria: Comments related to criteria varied widely. However, many applicants and reviewers felt that some type of criteria, whether in the form of specific priorities or general guidance, helps ensure transparency and provide structure. Despite the wide range of responses related to criteria, it is evident that the department should explore ways to address the issue of criteria.*

*Timing: Although the amount of time provided to complete the **Enhance** application seemed appropriate, the evaluation results suggest that reviewers may benefit from some additional time. The department should consider ways to facilitate the review process better by providing additional time, more resources, and/or more guidance to those involved in the review process.*

*Based on the evaluation results, the department proposes to work with the staff and the STIP Stakeholder Committee to pursue the five issue areas further. As the Commission is aware, the STIP Stakeholder Committee plays an integral role in improving the STIP process to make it more transparent and accessible to stakeholders. The department proposes to engage the STIP Stakeholder Committee this fall and anticipates a six-to-eight month process to address the issue areas comprehensively in order to improve the next STIP cycle.*

**Presentation:**

Transportation Development Division Administrator Jerri Bohard introduced Jeanne Lawson and Sylvia Ciborowski of JLA Public Involvement, who gave the presentation on the results of the 2015-2018 STIP **Enhance** process evaluation. Highlights of the presentation were:

- the purpose of the evaluation was to assess how well the project selection process worked, how the process could be improved, and whether it should be continued
- statewide review committees – interviews and surveys
- overall key messages – on criteria, benefits, projects of statewide significance, timing, lack of funding, ODOT support
- interviews key messages
  - support for continuing **Enhance** process
  - mixed perspectives on criteria
  - lack of funding and time
  - statewide and regional needs versus local needs
  - unclear role of statewide review committees
  - praise for ODOT staff
- survey key messages
  - background on who responded – Regions averaged 16.25 percent, with the exception of Region 2 at 35 percent, and cities lead the high response at 39 percent, with statewide review committees at the low end with 6 percent
  - mixed perspectives on criteria
  - overall mix of projects – most felt ok with the mix of projects, but there were a number of people who thought there were too many local system projects, as opposed to state system projects

- challenges with combined ACT process – some feel the super-ACTs are changing what the local ACTs have to say, it’s too political, and placed some in uncomfortable position
- need to clarify level of detail required
- recommendations and issues to address
  - training: for applicants on how to use benefits, for reviewers on how to make choices
  - process: set balance of flexibility and consistency, consider roles of statewide committees, allow for idea vetting and jurisdictional collaboration
  - clarify key terms such as enhance, criteria, benefits, statewide/regional significance
  - criteria: is it necessary, different types for different modes, a few fundamental criteria that apply to all modes, provide examples
- recommendations for next steps
  - reconvene STIP Stakeholder Committee
  - increase deliberations with and among ACTs
  - establish clear set of questions for stakeholder deliberation process
  - identify issues that the OTC and ODOT will address

***Discussion:***

Chair Egan took a moment to thank the region managers for their hard work and dedication. Participants in the process felt there was true engagement from the managers and the positive outcome is owed a lot to their efforts.

Commissioner Baney said she really appreciated the process, and we’re finding that balance needed to make this work. She asked if there were any concerns around capacity, especially in the smaller areas, in getting applications out or being able to make time. Were there comments about phasing projects? Are the ACTs having problems getting the right people to attend the meetings? Jeanne Lawson said the challenge of keeping people engaged is always more difficult where people are spread out, like across the mountains, but having a meaningful role like this is helping to keep people engaged. In regard to phasing, she said some of the ACTs developed their own criteria specifically about the ability to phase, and one of the main things mentioned, when asked what additional information could be made available in the application, was if the project could be phased. In regard to capacity, many felt it was doable, but ODOT’s technical assistance was vital and they would not have been able to do it without ODOT’s staff support.

Commissioner Olson said she loves the process and thinks everyone has done a great job. But, we need to have a “best-possible, worst-case” discussion about the future and funding to give the ACTs a sense and a vision of what will be needed. We need more support from the ACTs to engage legislators and bring them into that conversation. Where we are going is dependent on funding sources.

Commissioner Lohman said the line between public involvement and local decision making is evolving, and this has been a big step in starting to define that line. A lot of work is still needed, but he noted he was surprised at the extent to which local people did recognize there

are statewide needs and considered that even if they ultimately chose a local project. He appreciates that perspective. In regard to criteria, there are a lot of different perspectives, and he agrees with the thought that there is so little money, it doesn't make sense to talk about criteria. However, one comment he did find interesting, was that it would be helpful if there were criteria for each mode. He said scoping was a definite issue, because, while the ACTs are expected to be somewhat off because the process is new to them, ODOT was even off on some of its pricing, so costs on the final list went way up.

Commissioner Frohnmayer said if we look at this from a problem-solving basis, and maximizing the limited dollars we have today, we've got to start looking at potential problem fixes before getting into a list of projects.

Paul Mather set the stage for the 100-percent list discussion by saying the region managers were asked to talk briefly on three topics; how the 100-percent list turned out, where they are putting the 20-percent recommendation together, and discuss what major needs never got on the table.

### ***Region 1 - Jason Tell***

The Region 1 STIP committee finalized its 100-percent list with the unanimous support of the entire group. The most significant change resulting from the new process is that about half of the money is going to local projects, a shift from past emphasis toward state projects or local projects that have a benefit to the state system.

Region 1 staff received praise for the intensive work done with local government staff on scoping. Because there were no criteria around readiness in the new process, there were a lot of applications submitted that were actually concepts. This is an issue that hadn't occurred in the past, and there's going to be a higher level of risk going forward when scoping a project that is really a rough concept. Another issue was determining where regional projects and projects of statewide interest fit in. Jason Tell pushed back on the idea that you can't pick statewide significant projects if the program size is very small, by giving the past example of the Wilsonville Interchange/I-5 project which took about a quarter of the whole pot for that one project. It had a lot of economic development benefits to the local jurisdiction, but also benefited the state system as well.

In regard to major needs that were not considered, Jason Tell said Region 1 still has the I-5 Rose Quarter project, the Sunrise Corridor on the east side, the I-205 Corridor, the Historic Columbia River Highway, and orphan highways.

### ***Region 2 - Sonny Chickering***

Scoping was an issue with local entities, and while they didn't have the experience of errors in estimates by ODOT, there were surprises. Three of the four ACTs took applications back to the applicants to look at the original request and decide if they could cover the additional costs, find the additional match money, or phase the project. ODOT staff helped influence the conversation by providing a straw proposal to the super-ACT members which, they believe held true to the intent and desires of the list received from the ACTs, while filtering it through

the lens of regional and statewide significance. Ninety percent of the final proposal was taken from the straw proposal.

Region 2 made it clear that ODOT was just another applicant for the money, with no more consideration given for its projects than given to local projects. The results show that of the 39 projects on the final 100-percent list, 50 percent of those were applied for by local agencies, but were actually projects on the state system, and account for 63 percent of the dollars.

Region 2 is considering two strategies for the potential use of the 20-percent funds. One thing that was very apparent in the 100-percent list was that only two of the final 39 projects exceeded \$3 million, making Region 2 a poster-child for small projects. One preference would be for the OTC to consider allocating the 20-percent dollars to the larger projects in the \$10-20 million range rather than putting more in these smaller projects, which are adequately represented at this point. One of the proposals staff is presenting to the ACTs is a "go big or go home" method of nominating one or two significant projects to be financed. If feedback from the ACTs is negative, or there isn't a good project that fits that criteria, there are some smaller D-STIP projects that could be submitted in preparation for the next STIP process. There are some real needs in the areas of U.S. 101 near Newport, and an I-5 interchange project. Region 2 has developed two groupings of needs. The first is the large projects list (\$25-100 million) that consists of twelve project totaling \$585 million. The other is the mega-project list (over \$100 million) with five projects totaling \$2.5 billion.

### ***Region 5 – Monte Grove***

The two ACTs in the northeast area came together to develop the 150-percent list. One ACT was comfortable evaluating projects across the entire region, while the other ACT was uncomfortable rating projects not in its area, which is appearing to be a consistent theme around the state. We need to continue to encourage ACTs to look more regionally because the product is better, and as the groups get closer together and build relationships, that discomfort and tension will go away.

Subgroups of the two ACTs met and developed the 100-percent list, which consists of about two-thirds local projects, the feeling being that this was the only way those projects would ever get funded, while projects of statewide significance were sure to be funded at some point.

Scoping was actually a pretty big success in Region 5. A lot of the projects put forward by the locals did not have a lot of credibility because they were done by people just trying to identify a problem and a solution. Staff were able to put some validity to those projects and keep them on the table by working with the locals to define the scope so it made sense. The biggest reason some projects were low in cost in the first place was because 2007 and 2008 estimates were used, and costs increased by 30 percent going out to 2015. Even current 2013 estimates rise by 15 percent going out to 2016-17.

The process was very transparent, so there was a lot of buy-in to the final results. It would be very difficult at this point to find any kind of political steam in the region to change anything. Early on, the ACT composition was changed by the addition of transit and bike/ped advocates, which was a little contentious at the time. However, that proved to be very valuable by the end

of the process because those people had a lot of impact on the projects that were selected. One of the negative aspects of the process was that it was very fast paced and you had to be active and present, or you would fall behind. Another was the ACT's inability to change course once the initial priorities were established, and then the OTC had the conversation about projects of regional or statewide significance. That conversation goes on the front end of the process.

Projects recommended for the 20-percent funds include the I-84/U.S. 395 Interchange at Pendleton, U.S. 395 south of John Day, the Perkins Street project in Pendleton, and starting some of the right-of-way on U.S. 395/I-84 project mentioned above.

Region 5 has two larger projects totaling about \$50 million on its needs list, I-82/U.S. 730 port of entry relocation, and climbing lanes up the canyon on the interstate just south of La Grande. There are about \$100 million in other projects on the list for the next ten years. One of the main things you will hear from the ACTs in this region is not the need to enhance the system, but the need to preserve the system.

### ***Region 3 – Frank Reading***

This was not an easy process. The early conversations included projects of regional or statewide significance which did complicate the discussion. One of the big issues was just the high cost of highway projects. The competing needs of local jurisdictions are hard on ACT members faced with going back to their councils or boards and saying they voted for a highway project versus a local project. Also, scoping measurements were off the mark by about 40 percent overall. A lot of the elements that have to be added as requirements of funding, like contingencies or inflating the cost out to a certain year, really drive the cost up, and the locals don't consider them. Staff worked with the ACTs to come to a 100-percent list and look at some of the things missed in the initial applications, like the substantial geological issues to be dealt with, or environmental issues that don't surface without the right people out in the field.

The region's intention for the 20-percent funds would be to put development (D-STIP) dollars into the Medford viaduct. This will be a substantial planning endeavor that will require a lot of time and public involvement to determine what type of alternative or fix is needed. The region will also like to invest some dollars in furthering the climbing lanes for the mountain areas throughout the region, both construction and development dollars. Finally, it will ask for funds for Highway 140 at Exit 135 to do design work for a future funding package.

The region's future funding needs list is substantial, with about \$250 million in nonmegaprojects (less than \$100 million) and two megaprojects (more than \$100 million) totaling an additional \$250 million.

### ***Region 4 – Bob Bryant***

Bob Bryant talked about the work the ACTs in the region did to develop the 150-percent list and then narrow it down to the 100-percent list. What the ACTs and ODOT staff saw was that the balance, that went across all modes in the 150-percent list, began to shift. Many of the highest priority projects in the 150-percent list were projects that had been previously programmed in the STIP for gap funding, and that changed the balance in the modes. The

ACTs applied some discretion in looking at the prioritized list and made some changes, in response to feedback from the OTC on the 100-percent list. This brought some projects that were below the line, up into the 100-percent list and resulted in a 100-percent list that reflected local needs and lacked the regional significance. All the ACTs recognized, given the common thread that the highest priority for the region is the U.S. 97 corridor, that the outcome of the process lacked in meeting the needs and demands within that corridor and adjusted to meet some of those needs in the final list.

The ACTs then discussed a strategy on how to optimize all the available funding to achieve their highest priority goals. This shaped the recommendation for the 20-percent funds, which is to augment those projects for Highway 97 which would add capacity and improve safety, such as passing lanes. In addition, move forward any projects on the Transportation System Plan (TSP) would further that same long-term strategy to separate the north and southbound lanes, where there are significant crossover crashes and high volumes of traffic. And last, some of the 20-percent funding could be used for a number of projects on the U.S. 97 Corridor that would benefit from being shelf ready. Region 4 has a couple of larger D-STIP projects already identified on the shelf for Highway 97 and it added the Dallas Transit Center as a nonhighway project.

***Public Comments:***

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Westside Economic Alliance Executive Director Pam Treece provided written and verbal comments in support of the widening project on U.S. 26 between 185<sup>th</sup> Avenue and Cornelius Pass Road. She also presented the Commission with letters from Intel NW Region Government Affairs Manager Carly Riter, and Greater Hillsboro Area Chamber of Commerce President Deanna Palm. The letters voiced Intel’s and the Hillsboro Chamber’s support for the City of Hillsboro’s application for funding to widening U.S. 26.

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City of Hillsboro Transportation Planning Manager Don Odermott presented the Commission a map detailing transportation improvements in the North Hillsboro area, and asked for the Commission’s support to fund the bidirectional widening of U.S. 26, and to consider using some of the 20-percent money for that project.

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Hillsboro Assistant City Manager Rob Dixon said it’s not just about roads and vehicle capacity, but a commitment to balanced transportation alternatives, and is reflective of their commitment to see state money staying on state highways rather than the local system.

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***Workshop Item 3***  
***2017-2020 STIP Process***

The Commission participated in a discussion about the development of the 2017-2020 STIP process. The discussion included whether to continue to use the **Fix-It/Enhance** process, and

if so, what improvements should be addressed? (**Background materials in Director/Commission/History Center File, Salem.**)

**Background:**

The OTC approved the new **Fix-It/Enhance** process for the selection of 2015-2018 STIP projects in support of the agency's multimodal and intermodal goals. An earlier agenda item included information on the evaluation of the 2015-2018 STIP, and highlighted potential areas of improvement in the areas of training, process, terminology, criteria and timing of the various steps in the process. The intent of the agenda item is to get direction from the Commission in how to move forward with preparing for the next STIP cycle. Examples of areas of discussion include:

- Should the OTC continue to use a similar **Fix-It/Enhance** process for the 2017-2020 STIP?
- If yes, what areas should be identified as needing some modifications or changes?
  - Scenario Building - Does the Commission want to see another series of potential scenarios based on possible revenues at both the state and federal levels?
  - What type of information does the Commission want to see relative to the **Fix-It** portion of the STIP, and what are the system goals for bridge, preservation, etc?
  - Training and Communication - What should be the expectations of staff with regard to outreach and training for this STIP process?
  - Overall Process - For example, should the next STIP consider a Preapplication or Notice of Intent as part of the process?
  - Criteria
    - What are the overall expectations of the Commission around modifications to the existing project benefit language?
    - The STIP Stakeholder Committee's (SSC) responsibility in the past has been development of criteria. Should that committee help in the development of this work? If so, what might be the main components of a work plan for this committee?
    - Additional members have been added to the SSC including bike/ped expertise and public health. Are there additional needs for this committee?
    - What role should the modal advisory committees have in this next process?
  - Timing
    - What areas of the process in particular might require more time?
    - Recognizing that some potential improvements to the process may require additional time for development and review, such as the development of criteria and the application submittal, and review process, are there any concerns with the potential that this becomes the 2018-2021 STIP?
    - Other influences that effect the process for the next STIP cycle?

**Discussion:**

Transportation Development Division Administrator Jerri Bohard set the stage for development of the 2017-2020 STIP process by asking if we keep this process knowing there are improvements needed, or is there something else they would like to do. Is there a role for the STIP Stakeholder Committee, and if so, what areas should it cover? Where does the condition of the system fall into this conversation?

Chair Egan said we need to talk process, but first pause and talk about the types of projects talked about, and the needs that have come out of this process. They aren't mutually exclusive, but if we have input that suggest not all projects have been identified, and we're talking about the process at the same time, we have to recognize that.

Commissioner Lohman said so many comments were made by the ACTs about just wanting to preserve the system they already have, that he wondered if there is enough in the **Fix-It** category, or if we've defined **Fix-It** broadly enough. The same thing might apply to IT projects. In some sense those "operations" issues are really making use of what we have, and not building new. Are the definitions correct, or should we define **Fix-It** a little broader and put more money in there?

Commissioner Baney said she likes the idea of sticking with our agreements. Local government would welcome as many dollars as possible to fix the local systems, but that doesn't help with the statewide system. She suggested setting up something that is not necessarily findings, but that are essentially the percentages, unless you can determine through economic or safety, or some other, that there are added categories that would allow using one pot versus another at a higher percent rate that would be unique to a local area, versus an overall change within definition.

Commissioner Frohnmayer said in any realistic scenario there will still be way more work to do than resources to do them with. He feels the biggest priority is making sure we are identifying the benefit and cost appropriately as we go in, and putting as much science and discipline as possible behind that. As we engage the legislative discussion, another component is how to make seismic sexy, or make it something that we absolutely have to tackle as soon as possible. Until the issue of key lifeline routes is solved, he will lose sleep every time there is discussion about funding projects, and that's not the number one priority.

Commissioner Frohnmayer said that from a process perspective, we hit the points of engaging the statewide pieces early in the process so we are informing the local folks who are deliberating before making their project list. Another part of that, in terms of the scoping and problem selection, is can we have a lighter-weight local process, up front, that's more about problem identification and leans more heavily on ODOT for scoping and solution finding?

Commissioner Baney said that during the next funding opportunity, we need to ask if those projects are also being cross-pollinated by other state agencies to be looked at for IOFs, or Business Oregon funds, etc. Are we looking at ways that aren't necessarily transportation to help match or leverage those funds to get those projects done faster?

Director Garrett said it is incumbent upon us, as members of the Regional Solutions Team, to partner with our sister agencies to look across all agencies and the various funding streams. We need to sync up and integrate those opportunities.

Chair Egan said next time around there will be more time to work the process. Even though there is a lot to be critical of, that needs to be changed in the process, he is encouraged and

thinks we did a great job of identifying projects, and because of the scant funds available, really good quality projects. But, going forward, he doesn't have the same conclusion as Commissioner Lohman that the legislature won't be interested in maintenance projects because they aren't sexy. It's on us to make that argument, and make it better than the engineering-centric conversations of the past. We need to say specifically that this is what **Enhance** funds means for that community and this is why this is a good investment for now. Preservation has got to be in our next legislative package. Going into the 17-20 STIP, we have to show that we know our business, and that we know what needs to happen in maintenance and preservation. Our local government partners have done a great job identifying for us what those benefits are. We know what the projects of statewide significance are, and if we don't do them, here are the consequences. And if we do, here are the benefits. And lastly, there are opportunities out there, be it ITS or private industry opportunities, and Chair Egan is not confident that we have all that input to build a really good list. That's a harder nut to crack, but from a process standpoint, how we get that engagement has to be on our list.

Commissioners Lohman and Frohnmayer discussed objective ranking or categorizing of projects and criteria.

Paul Mather said the survey shows we have the right process, but it needs refining. There are some things we need to talk about in our process around how we sequence statewide ACTs. But we also need to talk about the roles and responsibilities of those different groups. Right now we are asking the ACTs to do two things simultaneously that they are struggling with. One is asking them to prioritize the needs, but then also to balance across the modes. Those two things are difficult for them to do simultaneously. Some of the prework could be done for the ACTs up front to help with the prioritization question, and then let them focus on what the balance is in their community.

Paul Mather said another sequence question for the Commission is around the 20-percent concept. The concept is good, but he worries about it being at the back half of the process. He recommends putting that at the front end, with the understanding that the Commission will take "X" amount off the top, and then for the rest of the needs it will be very clear there is no other money coming, so here is what you have for statewide issues and local issues.

Chair Egan said the 20-percent should be used for D-STIP or pre-engineering. We've consistently heard there is a good array of relatively small dollar projects in the 80 percent. We need to recognize the 2015-2018 STIP for what it is; it is not an aspirational STIP, it's a process STIP. But going forward, we need more money, and we need to make our arguments better. We need better arguments for maintenance, and prime the pump for what's next on some of these bigger projects on the D-STIP. He asked staff to help develop an option, among the 20-percent, for pre-engineering and a D-STIP. What's it going to cost, and give two or three options?

Chair Egan said we need to start putting some shape around the 2017-2020 STIP process for the region managers to communicate out to the ACTs what we will ask them to do. We need to recognize they are already doing a lot, and we don't want to burn them out.

Commissioner Olson reconvened the meeting for a working lunch. Chair Egan and Director Garrett left the meeting for other obligations.

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**Workshop Item 1**  
**Keynote Speaker Hyun-A Park**

Over lunch, the Commission received a presentation by Hyun-A Park. (**Background materials in Director/Commission/History Center File, Salem.**)

**Background:**

*Understanding the implications of emerging scientific innovations, sociodemographic changes, and technological megatrends on state departments of transportation (DOTs) will enable the Oregon Transportation Commission to make policy decisions today that will result in a stronger Oregon transportation system that meets the needs of Oregon travelers in the future. State DOTs, already challenged by congestion, funding shortages, shifting demographics, and other issues, face an increasingly dynamic world where scientific, technological, and demographic changes present both challenges and new opportunities. This presentation will share some visions of our future (20+ years from now) and the implications for today's policymakers.*

*Hyun-A Park is president of Spy Pond Partners, LLC. She works with public agencies at the federal, state, and local levels providing her unique skills in the areas of strategic planning, performance management, asset management, and facilitating organizational change to meet new objectives. Ms. Park works closely with transportation agency executives and managers in finding solutions to problems involving people, process, and data.*

*Ms. Park is currently working with AASHTO's Standing Committee on Performance Management in its effort to ensure that state departments of transportation (DOT) needs are represented in the MAP-21 rulemaking process for national performance measures and to better prepare state DOTs for MAP-21 requirements. Ms. Park also supports AASHTO and FHWA's asset management capacity building efforts through webinars and peer exchanges. Ms. Park is a member of FHWA's Asset Management Expert Task Group. Throughout her career, Ms. Park has worked directly with state DOTs on strategic planning and business improvement efforts.*

*Ms. Park is the Chair of the TRB Management and Leadership Section and is the incoming Chair of the Policy and Organization Group. She recently served on the panel for NCHRP 20-24(84) State DOT CEO Leadership Forum 2013: Leading the 21st Century DOT. She organized and facilitated the 2012 AASHTO Leading in Lean Times Workshop for state DOT executives. Ms. Park is the co-chair of the Public Art Committee of WTS Boston. She also is an active volunteer at MIT, serving as her class president, member for the Council for the Arts, and having served as a trustee on its corporation.*

*Ms. Park received both a Master's degree and a Bachelor's degree in Urban Planning from the Massachusetts Institute of Technology.*

**Presentation:**

Hyun-A Park gave a presentation titled, "Tomorrow is Built Today: Opportunities and Challenges for the Oregon Transportation Commission." Highlights of the presentation were:

- o budget trends
- o 20<sup>th</sup> and 21<sup>st</sup> century predictions
- o transportation predictions
- o science and technology
- o implications for transportation
- o health, agriculture, mobility, adapting for climate change



**Road Usage Charge Program**

The Commission received an informational status report on the Road Usage Charge program, and considered approval of a determination, under the authority of ORS 367.804 and OAR 731-070-0240, that the transportation project specified herein has the potential to promote innovative approaches to carrying out the road usage charge system project. **(Background materials in Director/Commission/History Center File, Salem.)**

**Background:**

*ORS 367.804 gives the Oregon Department of Transportation (ODOT) authority through the Oregon Innovative Partnerships Program (OIPP) to solicit concepts or proposals for transportation projects from private entities and units of government. OAR 731-070-0240 allows ODOT to solicit proposals or enter into direct negotiations with a legal entity for a public-private partnership approach, as approved by the Commission. Before ODOT can solicit in this manner, however, OAR 731-070-0240 requires a determination from the Oregon Transportation Commission that a transportation project has the potential to accelerate cost-effective delivery or promote innovative approaches to carrying out the project.*

*As a result of Senate Bill 810, approved by legislative vote and signed into law by Governor Kitzhaber on August 14, 2013, ODOT is required to implement a voluntary road usage charge system for up to 5,000 vehicles to be fully operational by July 1, 2015. The system, through two successful demonstration projects conducted under the direction of the legislative guiding body, the Road User Fee Task Force (RUFTF) between 2001 and 2013, demonstrated potential for expediting cost-effective project delivery and promoting innovative approaches to project financing through public/private partnerships. Senate Bill 810 requires that ODOT enter into agreements under the Oregon Innovative Partnerships Program to undertake a project consisting of a road usage charge system that includes:*

1. *The application of technology standards to determine whether to certify technology,*
2. *The collection of metered use data,*
3. *Tax processing, and*
4. *Account management.*

*Senate Bill 810, the Road Usage Charge Program (RUCP) authorizes the Oregon Department of Transportation to assess a charge of 1.5 cents per mile for up to 5,000 cars and light commercial vehicles participating in a road usage charge program and issue an equivalent gas tax refund to those participants. The bill calls for the system to be operational by July 1, 2015. ODOT is currently planning implementation of the legislation in order to meet deadlines, and next steps include organizing vendor conferences and issuing requests for proposals so ODOT can consider a variety of market-provided strategies and solutions to meet the requirements of the legislation.*

*SB 810 requires ODOT to design the Road Usage Charge Pilot Program to access the open marketplace to provide mileage reporting technologies; tax processing and account management functions. The procurement of these services from the marketplace will require an innovative procurement based on an indefinite duration and indefinite quantity; in essence the procurement will remain open to fulfill the requirements of SB 810 for an open system. The OIPP authority will facilitate the innovative procurement practices necessary to meet the requirements of SB 810.*

**Presentation:**

Innovative Partnerships and Alternative Funding Manager Jim Whitty gave the presentation on Oregon's Road Usage Charge program. Highlights of the presentation were:

- o legislation, Senate Bill 810
- o mileage reporting methods: basic, advanced, and switchable
- o options for electronic mileage reporting
- o payment of road usage charge: invoicing and payment options
- o choice of mileage reporting and billing plan
- o Oregon's platform for per-mile charge
- o standard mileage message
- o privacy solutions under Senate Bill 810
- o what's next: implementation by July 2015, and the Oregon Road Usage Charge Summit
- o Western Road Usage Charge Consortium

**Discussion:**

Jim Whitty said this is an exciting program that is getting a lot of interest from other states and from Capitol Hill legislators in Washington. He recognized a two individuals who were instrumental in helping pass the legislation in Oregon, Ann Hanus of the Association of Oregon Counties, and Craig Honeyman of the League of Oregon Cities.

**Action:**

Commissioner Baney moved to approve determination, under the authority of ORS 367.804 and OAR 731-070-0240, that the transportation project specified herein has the potential to promote innovative approaches to carrying out the road usage charge system project. Commission members Olson, Lohman and Frohnmayer unanimously approved the motion.

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**Senate Bill 408**

The Commission received an informational briefing on ODOT's preparations to implement Enrolled Senate Bill 408 (Access Management) from Region 4 Manager Bob Bryant. Governor Kitzhaber signed the bill on June 24, 2013, and it becomes effective on January 1, 2014. ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:***

*The 2011 Legislative Assembly established the Access Management Oversight Task Force in SB 264. SB 264 authorized the task force to recommend legislation regarding management of access to state highways, as needed, until January 2, 2016. During 2012, the task force work culminated in Enrolled SB 408, which establishes new laws governing access management procedures on state highways in four areas:*

- *existing approaches without written permission from ODOT*
- *highway facility plans*
- *highway improvement and modernization projects (project delivery)*
- *restriction of turning movements at an approach*

*ODOT has rulemaking obligations stipulated by the bill and has begun preparations to implement SB 408, which include the following:*

- *communicating with staff and business-line teams about changes required by the legislation,*
- *organizing a Rules Advisory Committee, appointed by the Director, consisting of representatives of local governments, the Oversight Task Force, business, freight and development communities, and ODOT staff,*
- *working with the consultant who performed a major rewriting of access management rules for implementation of SB 264 to provide rule writing services for SB 408, and,*
- *identifying areas of the Oregon Highway Plan and other department manuals, guidelines, and policies that need to be revised to align with SB 408-A and new access management rules.*

*The department will update the Commission periodically as this process moves forward, and expects to bring permanent rules for OAR 734-051 to the Commission for adoption no later than June 2014. The Commission may need to adopt temporary rules before adoption of permanent rules.*

***Presentation:***

Region 4 Manager Bob Bryant gave a presentation on Senate Bill 408 and access management, and answered questions from the Commission. Highlights of the presentation were:

- Access Management Oversight Task Force priorities address three areas of access:
  - existing approaches without written permission from ODOT
  - access management in facility planning
  - access management in project development and delivery

- changes to policy, rules, and procedures include a presumption that written permission from ODOT is established if highway project documents show ODOT's intent to issue an approach permit, or if documentation shows the approach meets specific criteria on when the approach was built or existed
- new requirements for highway facility plans include:
  - "key principles" to evaluate how abutting properties may retain or obtain access during and after plan implementation
  - a methodology that balances economic development objectives with safety and access management objectives
  - a timeline for implementation of future actions that affect access
  - establishes a review and dispute process for property owners
  - reinforces collaboration with local governments
- new requirements for highway improvement or modernization projects include:
  - collaboration with all interested parties to identify highway deficiencies within project limits, and to establish a long-term vision for the highway segments impacted
- changes to project delivery requires development of an Access Management Strategy for each project
- requirements of SB 408 implementation, which is effective January 1, 2014

***Discussion:***

Commissioner Olson requested a status report about every six months to keep the Commission in the loop as to how this is rolling out, what kind of issues are arising, and what rethinking is happening as a result of those issues.

Commissioner Lohman expressed concern about the number of hours in staff work this would require, and said he wished there was an easy way to track the tremendous amount of work the staff has done. Commissioner Olson added that we need to go back to the legislature regularly to let it know the effect these laws create.



***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 18-19, 2013, Commission meeting in Ashland.
2. Confirm the next two Commission meeting dates:
  - Wednesday, November 20, 2013, meeting in Salem
  - Wednesday, December 18, 2013, meeting in Portland
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 Rule:

- a. Amendment of 741-100-0005, 741-100-0020, 741-100-0030, 741-100-0040, 741-110-0030, 741-110-0040, 741-110-0050, 741-110-0060, 741-110-0070, 741-110-0080, 741-115-0010, 741-115-0020, 741-115-0030, 741-115-0040, 741-115-0060, 741-115-0070, 741-120-0020, 741-120-0040, 741-120-0050, 741-125-0030, 741-200-0020, 741-200-0050, 741-200-0060 relating to Highway-Rail crossings.
5. 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.
6. Request approval of a draft report to the Oregon Legislature on the 2009 Jobs and Transportation Act.
7. Request permission for the Major Projects Branch, Highway Division, to appear before the November 2013 Interim Joint Ways and Means Committee to seek an increase in the Federal Capital Construction limitation by \$2,148,448 for a First Responder Network Authority (FirstNet) grant awarded by the U.S. Department of Commerce National Telecommunications Information Administration (NTIA). The Ways and Means Committee gave approval for the Oregon Department of Transportation to apply for this grant during the 2013 Session.
8. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add a construction phase to the Interstate 84: Nelson Point – Lime project in Baker County, which is currently in the STIP as a developmental project. Funding for this construction will come from savings realized in the Interstate Maintenance Program. The total estimated cost of this project is \$9,845,000.
9. Request approval to amend the 2012-2015 Statewide Transportation Improvement Program (STIP) to add the U.S. 101: Neahkahnne Mountain Rock Screen Repair project in Region 2. The project funding will come from the Region 2 Operations Reserve fund in the Region 2 Financial Plan. The total estimated cost of this project is \$1,000,000.

**Action:**

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

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**Workshop Item 5**  
**OTC Work Plan**

The Commission received a status update on items identified in the Oregon Transportation Commission (OTC) Work Plan approved in April 2012, and modified in October 2012. Based on this discussion, items may be added or deleted from the existing Work Plan. **(Background materials in Director/Commission/History Center File, Salem.)**

**Discussion:**

Transportation Development Division Administrator Jerri Bohard gave a summary of items in the OTC Work Plan.

- Policy Development
  - Least Cost Planning
  - OTP Implementation
  - Rail Plan
- Strategic Projects and Programs
  - Columbia River Crossing
  - ConnectOregon V
  - High-Speed Rail Analysis
  - Innovative Pilot Projects
  - Multimodal Transportation System Management
  - Operations Innovation and Demonstration Program
  - OSTI - Statewide Transportation Strategy
  - Revisions to the OHP Mobility Standards
  - DMV Systems Modernization Initiative
  - Succession Planning- Managing the Risk of Losing People and Knowledge
- Fiduciary Responsibilities
  - Funding Allocation Priorities for 2015-2018 Timeframe
  - Transportation Funding for the Future
    - Road User Fee Initiative
    - DMV Fee Initiative
  - Project Delivery Contracting Methods
- Partner and Stakeholder Relationships
  - Expand and Enhance Partnerships
  - Policy Analysis of Governance Issues
  - Strategic Communications
- Ongoing Work
  - Policy Development
  - Strategic Projects and Programs
  - Fiduciary Responsibilities
  - Partner and Stakeholder Relationships

Commissioner Frohnmayer said we need to ask what the ideal funding mechanism looks like for the department for the next 20 years. What are the mechanics of the funding stream? As we engage the legislative discussion around funding, can we start talking about a long-term, sustainable funding plan for the broad mission and vision we want to achieve? What will be the implications of technology on the future?

Jerri Bohard said it would be helpful to know if there was anything staff could be doing to set the stage for the next conversation. There may be things the Commission might want staff to start tackling toward that future direction.

Commissioner Olson said it would be helpful for a technology “guru” to present the Commission the most promising technology on the horizon for a discussion on what is really going to happen as a result of that technology, in what timeframe, and will people accept it?

Jerri Bohard said there were times in the past when panels were brought together before the Commission started discussion on where it wanted to take the work plan. Today, she's hearing that there are two discussions, one around public health, and the other around technology. There are a lot of things going on right now, from the Transportation Options Plan, to the Rail Plan, to what is happening with *Fix-It/Enhance*. The Commission will have to decide how much further we will take some of these, recognizing that we can't do everything. Panel discussions could be helpful in determining what information is needed to make those types of decisions.



Commissioner Olson adjourned the meeting at 3:52 p.m.

At 5:30 p.m. that evening, the Commission held a working dinner with the ODOT Exec. Staff, Region Managers, and OTC members in the Lotus Room, of the Main Lodge, at the Oregon Gardens.

Director Garrett asked division administrators and region managers to give their thoughts on two questions: how do we ensure ODOT is an agency that is always getting better in achieving our mission; and what are the critical relationships that drive our success?

### **Thursday, October 10**

On Thursday, October 10, 2013, at 9:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a briefing session and agenda review in the Lotus Room at the Oregon Gardens Main Lodge, 895 West Main Street, Silverton, Oregon. The regular monthly meeting began at 9:30 a.m., in the Orchid Room. Highlights of the briefing session were:

Chair Egan called the meeting to order at 9:48 a.m.



### ***Workshop Item - Transportation Needs***

The Commission received an informational presentation on transportation needs across the various modes, including transit, rail, aviation, marine, bicycle, pedestrian, and highway, which includes freight and local government's perspectives on their needs.

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

*In preparation for the panel discussions on the needs of the modes, each of the panel members received the following two questions to consider as they discuss their specific needs. The needs will span maintenance, preservation and enhancement needs of that particular mode.*

1. *Given today's funding scenario how are you expending funds and what are the implications for that decision?*
2. *If there were more funds available, how would you prioritize the allocation this new investment and what would the change or benefit be to the mode and overall transportation system?*

*After the panel discussion, the Governor's Transportation Advisor Karmen Fore, the OTC, and ODOT Executive staff engaged in a discussion of next steps. The discussion included identifying additional information about transportation needs, how to assemble the information provided, and what steps might be needed to engage in a revenue package discussion.*

***Discussion:***

Chair Egan started the discussion by framing what the Commission was looking for from the individual panels. He asked panel members to talk about each of the individual modes, and connectivity between modes. He asked them to talk, retrospectively, about funding packages like *ConnectOregon* and other investments, and then looking forward, put themselves in a legislator's or the department's shoes, and talk about the needs. What are the needs? How are they identified? What's the process for identifying them? What are the projects and opportunities out there that we're missing? If we had the funds, what would they be? He said it's premature to talk about revenue or any expectations with legislators if we can't say with a straight face that we know what the projects and opportunities are and we know how we would deliver on those projects.

Panel members participating in the discussions include:

- Hal Gard - Public Transit and Rail Division Administrator
- Julie Brown - Public Transportation Advisory Committee Chair, Rogue Valley TD
- Brock Nelson - State Rail Plan Steering Committee, Union Pacific Director of Fed. Affairs
- Mac Lynde - Active Transportation Section Manager
- Jenna Stanke - Oregon Bike and Pedestrian Advisory Committee Chair
- Mitch Swecker - Director, Department of Aviation
- Mark Gardner - Aviation Board Chair
- Dave Harlan - Ports Program Manager for Business Oregon
- Susie Lahsene - Oregon Freight Advisory Committee Chair, Port of Portland
- Paul Mather - Highway Division Administrator
- Ann Hanus - Association of Oregon Counties
- Craig Honeyman - League of Oregon Cities
- Jerri Bohard - Transportation Development Division Administrator
- Matthew Garrett - ODOT Director
- Karmen Fore - Governor's Transportation Advisor

***Marine Panel - Susie Lahsene and Dave Harlan***

Susie Lahsene started with some statistics that are the foundation of the discussion about marine facilities:

- o 80 percent of the world's consumers reside outside of the United States

- Oregon and the nation's economic future depends on our ability to tap into that customer base
- 490,000 direct, indirect, and influenced jobs are tied to trade in the state
- Oregon's trade-related employment grew faster than total employment between 2004 and 2011
- \$18 billion of Oregon's goods were exported in 2012
- 90 percent of those Oregon exporters are small and medium sized businesses

All of these products move through a freight system network of not just one mode, but multiple modes. Their challenge is having adequate funds to ensure that network is modernized and connected. Oregon is a small market, and has to have a transportation system that overcomes that disadvantage and allows us to connect beyond our small market base. If we don't think about the transportation system for moving freight as an interconnected system, and really understand what we are trying to move, we are setting ourselves back, and the transportation system can become a hindrance for our economic future.

The marine facilities in Oregon are diverse, but provide significant economic benefit at the regional, local, and statewide level, and many communities in the state rely on those ports as their economic development engine.

Susie Lahsene said one of the top needs is that most of the port system is antiquated. Many of the docks were built in the 1940s, and replacement is a real challenge. Marine facilities rely on the rail system and the road network for access and connection, and often that part of the system is an orphan system, and local jurisdictions have other priorities and aren't concerned about that aspect of the system. The *ConnectOregon* program has been very effective and successful for other modes, but the criteria often don't work in the marine world, which has more of a "if-you-build-it-they-will-come" approach for these older facilities where potential customers can't be attracted without modernizations.



Dave Harlan said the Oregon Port System has one of the broadest port statutory authority in the nation, and great diversity in scale and nature of activities. The port system has a very significant impact on the economy, with one-in-six Oregon jobs tied to Oregon ports, either directly or indirectly. Oregon is very dependent on trade and the port system, but is overlooked in the large public mind. Ports in Oregon are underfunded compared to other states, and have significant capital needs to address deferred maintenance and changing markets. And a very critical part is that the ports are just one component of Oregon's marine transportation system that includes numerous private docks, terminals and related businesses that also have economic and employment impacts.

It is hard to categorize Oregon ports because the characteristics, (inland, coastal, deep draft, etc.), and activities are so broad and diverse. Activities can include cargo, industrial development, commercial fishing, recreation and tourism, to name just a few, and some ports overlap into numerous activities. It is a struggle to administer port policy because of this significant overlap and the hazy line straddled between economic development and

transportation. *ConnectOregon* has been a boon for port projects, but they tend to be a combination of the two agencies' efforts.

Dave Harlan talked about the economic impacts of projects like the Port of Morrow Industrial Park or dredging at the Port of Bandon. One of the recommendations of the Statewide Port Plan was development of a Marine Transportation Plan, which would help further identify key investments and priorities, links between the marine system and the larger transportation system, and help with advocacy. Louisiana has a marine plan which would be a good basis for the Oregon plan because of the similarities between the two states. In response to questions from the Commission, Dave will provide the OTC with information on the cost to develop the Louisiana Marine Transportation Plan into a plan for Oregon, and examples of how other states fund their ports.

The main need is revenue, and to generate revenue, they need low-cost capital for revenue projects. They need access and last-mile improvements, and in many instances, they need grade separations. Continued and expanded planning assistance, which brings both public and private investment, and regulatory streamlining and advocacy would be one of the functions of the Statewide Marine Transportation Plan.

#### ***Public Transit Panel – Hal Gard and Julie Brown***

Hal Gard said the fragility of the transit system, particularly for elderly and disabled people and rural providers, was really emphasized by the events of the last two weeks. The larger metropolitan transit providers, like Lane Transit District, TriMet, or Salem/Keizer, have sufficient funds to weather a government shutdown, though it does eat into their general fund. But the small providers are within weeks of needing to truncate or stop service if we're not able to provide them funds. It's a stark reminder that, in some parts of the state, we are on the ragged edge with regard to being able to get some of our most disadvantaged citizens where they need to go.

The vast majority of the Public Transit Division's \$80 million biennium budget is federal funds, and 92 percent of that operating money is distributed to local government or to service providers to provide rides or vehicles for the elderly, disabled, or folks in rural routes. The single greatest issue for providers is the ability to provide match for federal funding. Capital money used to buy facilities or equipment like a bus has an 80-90 percent match, but for operating funds it's a nearly 50 percent match. So you can buy equipment to provide a service, but you can't provide that service because you can't afford the match.

Julie Brown said match is very difficult for rural providers. When the opportunity for federal funds comes up, often the funds are left on the table because the match can't be met. The federal government gives DD Services 60 percent of the money needed to provide transportation for people who are developmentally disabled. The state asks the locals to match the remaining 40 percent. She said the Department of Human Services (DHS) has a budget that exceeds most of the budgets in the state, and we should go back and demand they

match funds because this is, after all, their program. Funds taken from the Special Transportation Fund could certainly be put to other uses.

### ***Rail Panel – Hal Gard and Brock Nelson***

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Hal Gard said passenger rail service is funded from gas tax not used by motor vehicles and vanity plate fees. With a change in federal legislation and with the purchase of new trains, rail is looking at a minimum \$14 million deficit. The state is at a crossroad of whether it wants to continue to provide passenger rail service in Oregon. The current funding situation is woefully inadequate.

Three areas of concern are no funds available for federal match, no funding available for projects started with ARRA funds that need a federal match to build out and complete, and finally, there is no means of preserving critical short-line infrastructure.

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Brock Nelson said rail transportation is very important in the movement of freight, and is a very green and environmentally friendly mode of transportation. It also provides infrastructure for passenger rail service. He talked about some of the rail projects currently being worked around the state.

Commissioner Lohman asked how the state would benefit by putting public money into the Blue Mountain capacity improvement project, given the degree to which Oregon is a pass-through state for freight. Brock Nelson responded that capacity projects improve our ability to move freight, and could potentially add more trains to what we are moving today, which benefits customers like the Port of Portland by making it more attractive to potential new customers. He said the best example of where those kind of public investments make the most sense is the I-5 corridor, where a passenger network is run. Everything done under *ConnectOregon* in that corridor has had a public benefit through increased passenger speed and efficiency. It's harder to justify public benefit for the Blue Mountain project outside of increased capacity, increased fluidity, and giving potential shippers access to rail they may not currently have.

To tell that story better, Commissioner Baney asked staff to dig a little deeper and find the connection between *ConnectOregon* dollars going into those projects, and where we can show specifically how a local company benefitted from increased fluidity or capacity. We need to be able to tell the story to our legislators in a way that brings home the importance of continuing that investment.

Commissioner Frohnmayer said the Harrisburg Bridge project tells that story very well. He also said he is embarrassed to live in a state that has train service in real jeopardy. What can we do to get a sustaining source of operating funds for the trains that begins to really build on it as a key component of a sustainable transportation system? Brock Nelson responded that defining what the public truly wants is where you start. We will continue to invest to move freight as efficiently and as fluidly as possible, and passenger rail will continue to benefit. Hal

Gard noted that our partnership with Union Pacific results in 15 percent better on-time performance rating than our partners in Washington State. Oregon's performance rating is significantly better, and a lot has to do with the attention Union Pacific has put on the line.

Hal Gard said a significant issue facing rail is the fact that federal ARRA dollars are being left on the table because we do not have matching funds. Once the work is done, projects are identified, improvements are noted, and federal money is available, we currently have no means of matching that federal money.

### ***Bicycle and Pedestrian Panel – Mac Lynde and Jenna Stanke***

Mac Lynde said biking and walking to work has increased nationally by 57 percent in the last decade. Pedestrian deaths account for 14 percent of fatalities in Oregon, but they only represent around four percent of the mode share. For a small amount of the population using it, this mode has high rate of serious injuries and fatalities, with 62 percent of those occurring on major arterials. Many of the investments for this mode are for initiatives that promote safety, and specifically target those key pedestrian and bicycle countermeasures for those major arterials and intersections.

Mr. Lynde talked briefly about some of the projects completed around the state, and about what needs exist if more funds were made available. The Bike/Ped Plan starting up will be the shared vision and policy framework for how funds would be invested. Needs are categorized in three groups: safety on major arterials, regional trails, and community livability.

Jenna Stanke talked about some of the funding gaps for the mode. One is Americans with Disabilities Act (ADA) ramps. There are ADA ramps on about 80 percent of the system, but 88 percent of those are not up to standard. The Transportation Enhancement (TE) and Bike/Ped grant programs are very oversubscribed, demonstrated in the 2012 round when only 11 projects were funded, at a total of \$8.9 million, from the 155 notices of intent originally submitted. She did clarify that about 50 percent of the original 155 applications were not moved forward because they just weren't ready. Jerri Bohard said one of themes heard about the TE program is around planning, which is problematic for developing bike projects. The TE program doesn't have the planning staff for project development, and that is one of the areas harder on the local systems. Mac Lynde said that oversubscription was the precursor to forming the Active Transportation Section with the intent of bringing those programs together and having one solicitation effort with a set of timelines and criteria.

### ***Aviation Panel – Mitch Swecker and Matt Maass***

Mitch Swecker talked about the Oregon Department of Aviation's (ODA) roles and responsibilities, its mission, and its revenue sources. ODA owns and operates about 28 percent of the 97 public use airports in Oregon, with the remainder divided between city, county, port, the U.S. Forest Service, and private ownership. Of the 97 public use airports, 55 are federally funded. These airports are used as a transportation mode for business/economic

development, statewide access, tourism, agriculture, government agencies, emergency services, and recreation. Issues facing aviation include sequester impacts and the potential to cut funding to air traffic control tower contracts, aviation industry cluster, and unmanned aerial vehicles (UAV/drones).

ODA's Pavement Maintenance Program (PMP) divides the state into three sections, with one section being done each year, which extends the life of the runway by 20 years. Work is paid for with a fuel tax fund established by the PMP in 1999. The annual net revenue for the agency flattened out with the recession in 2009, and a change in commercial operations versus the number of passengers has kept it that way. The model has changed to where aircraft now fly completely full, creating a steady decline in the number of commercial operations, a figure used to determine fuel revenue. The FAA model has changed also due to more efficient jets, more efficient flight patterns, and airlines' decision to operate fewer airplanes, by offering fewer flights but sending them out full.

Oregon has one of the lowest fuel taxes at \$0.01 cent per gallon compared to other western states that have fuel taxes ranging from \$0.02 to \$0.11 cents per gallon. ODA had a policy option package the last legislative session for \$6.4 million per biennium, and would like to raise the fuel tax to \$0.02 cents per gallon. Those funds are to help supplement cities and counties around the state to offset the grant match amount, which raised from five percent to ten percent in 2012. This would help the general funds in those cities and counties that have struggled to meet the 10 percent match.

Commissioner Olson said the Forest Service is starting to look for alternatives to the aging heavy-lift helicopter fleets current being used. That alternative is thought to be fixed-wing aircraft. Airports in strategically located areas around the state will need to be able to accommodate those aircraft used for firefighting. She suggested ODA keep a finger on the pulse of this with the Madras Airport because it could easily become a very critical area.

If planning dollars were made available, the next step would be to first update the system plan to make sure needs have been identified appropriately. From there, look for funding opportunities for commercial air service, airport infrastructure to support fixed-wing firefighting, or any of those things that are key elements of a robust and capable air system.

Commissioner Baney said we are just starting to see some of the safety opportunities UAV's might offer for fire suppression or search and rescue, and asked what planning has been done for something along those lines. Matt Maass responded that the FAA needs to be pulled along a little bit more. Right now, the FAA is still very constrained on the use of UAVs. He is on the Board of Directors for the UAV industry, and said they are just scratching the surface of the benefits of this economical way to use air as a mode for a number of those key things that benefit land owners, agriculture, the Forest Service, etc. There is also an ongoing political struggle between the federal FFA and local states around the regulation of UAVs.

### **Highway Panel – Paul Mather, Ann Hanus, and Craig Honeyman**

Paul Mather started the discussion by talking about ODOT construction programs versus the highway budget. What is the overall need? What are we doing to be efficient with the money we have, and to manage within the resources we have? What would we do with a little more money to address those problems? The Commission received a packet with information on freight bottlenecks, bridge needs and the Seismic Options Report, **Enhance** and **Fix-It** categories, pavement needs, potential jurisdictional transfers, culvert needs, and overall maintenance and operations needs.

On the **Fix-It** side, bridges have a dire future. Over the next several decades, Oregon bridge conditions will drop from today's ranking of 20 percent of bridges deficient. By 2050, that number will flip to 80 percent of Oregon bridges being deficient in some way. This is caused in part by the large number of bridges built during the baby-boom generation that are nearing the end of their useful life, and in part because during that same time period, we used a lean design to build bridges. The next step for bridges would be to provide some modest level funding to help gain as much life as possible out of the bridges. There is a similar story for culverts.

The most glaring need is pavement repair and maintenance. We prioritize to the highest level of service roadway, with the interstate being the highest priority because of its high speeds and high truck volumes. Having potholes in the middle of a freeway where there is congestion and high speed is a safety issue, and not just an investment protection issue. As we continue to get tighter and tighter in the pavement budget, we continue to focus more and more on those higher end facilities, causing the district level highways to get left behind. This becomes a point of conflict between ODOT and local government. However, this also creates an opportunity to target investments back into pavement for those roadways critical to communities, and open discussion on who should have jurisdiction of those roadways.

The maintenance side has focused purely on the inflation factor. Over the last ten years, the maintenance budget has gone up about four percent. During that same time period, inflation alone has risen by eight percent. Highway's biggest cost driver is fuel, which has risen by 24 percent. During that same time period, there has been a four-five percent reduction in both staff and equipment to try and offset the inflation numbers.

The operations side is composed of features, like reader boards, variable message signs, red light camera, etc. Over the last five years, the amount of features has doubled, but we're not adding the resources to maintain them.

Ann Hanus said the Association of Oregon Counties has an interest in a partnership with all the modes discussed today, but states, counties and cities are all part of an interconnected road system. Collectively, counties manage about 40 percent of the roads in Oregon. With the decline of timber payments from \$270 million in 2007 to \$90 million this year, and other financial problems counties are facing, it's not surprising to hear that counties are in a financial

crisis that impacts the transportation system. The other issue facing counties is that county personnel have declined significantly, from 2,000 in 1995, to 1,600 recently. That impacts not only the people out there to fill the pot holes and remove snow, but it also affects the ability to administer and apply for grants. The counties don't have the capacity to leverage as many funds as it would like. In addition, like all the other modes, they have seen significant cost increases, such as the cost of asphalt, which has doubled since 2006.

Overwhelmingly, the top county spending priority is maintaining what it has, which is getting increasingly difficult. Ann Hanus gave samples of what's happening in counties across the state, like Wheeler County, which has reduced its road crew from eight to two, or Baker County, which is in the process of determining which of its currently paved roads will be pounded to a gravel road to reduce maintenance costs.

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Craig Honeyman said the League of Oregon Cities agrees that all the modes are critical to the transportation system. Quite simply, cities are in need of more money for simple road and street maintenance and repair. As these roads wear out, the result is injury and sometimes death, increased emergency response times, and lost opportunities in terms of economic development.

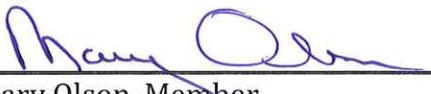
Chair Egan said he is encouraged after all this discussion that there are opportunities. However, we have to make quick work now to compile that story before there is legislative discussion on a request for funds.

Director Garrett said the reality is that the needs, across all disciplines, foster what revenue there is. We will gather all this information, identify all needs and concerns, and then have the conversation about who we need to continue to engage and involve as we start the refinement process. We heard quite clear that we have to tell a better story, and explain what would be done with additional money, and why. We will continue to work on that with the right people around the table, and identify potential exposures to the conversation.

Karmen Fore said the meetings have been extremely helpful. Getting our arms around all the needs is going to be difficult. As we tell the story, it's important to put a marker much further out in time to craft a picture of where we want to be as a state, and push our investments in that direction. She applauded the fact that all the modes were at the table, and we are not fostering the artificial divisions that are created by levels of government. The charge for this group is to help the governor and legislative leaders find a path to what that vision is going to be. Where is Oregon going to be 50 years down the road? How do we position ourselves between two very economically dynamic states? How do we position ourselves on an international seaboard where the economies of the world are shifting right now? And in that mix, how do we make our cities livable and make transportation investments that are better for the environment? How can we best take advantage of new technologies, equipment, and fuel sources?



Chair Egan adjourned the meeting at 1:47 p.m.

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