

## OREGON TRANSPORTATION COMMISSION

### Minutes of the Regular Monthly Meeting April 18-19, 2012 Madras, Oregon

On Wednesday, April 18, 2012, at 2:00 p.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a workshop and panel discussion with members of the Central Oregon Area Commission on Transportations (COACT) at the Inn at Cross Keys Station, 66 NW Cedars Street, Madras, Oregon. That evening, the commission met for dinner with members of the Central Oregon Area Commission on Transportation (ACT) and ODOT staff at Geno's Italian Grill, 212 SW 4<sup>th</sup> Street, Madras.

On Thursday, April 19, 2012, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a briefing session and reviewed the agenda in the Executive Room at the Inn at Cross Keys Station. The regular monthly meeting began at 9:30 a.m.

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

Chair Pat Egan	Communications Div. Administrator Patrick Cooney
Commissioner David Lohman	Highway Division Administrator Paul Mather
Commissioner Mary Olson	Government Relations Manager Betsy Imholt
Commissioner Mark Frohnmayer	Region 4 Manager Bob Bryant
Commissioner Tammy Baney	CRC Deputy Project Director Kris Strickler
Director Matthew Garrett	Commission Assistant Jacque Carlisle
Trans. Development Div. Admin. Jerri Bohard	
Deputy Director for Central Services Clyde Saiki	

#### Wednesday, April 18

Chair Egan called the meeting to order at 2:05 p.m.



#### *Workshop Item 1 – Panel Discussion*

The commission participated in a panel discussion with members of the Central Oregon Area Commission on Transportation (COACT), and reviewed for approval its updated Operating Guidelines. (*Background materials in Director/Commission/History Center File, Salem*)

COACT members participating in the discussion:

- o Cheryl Howard, Deschutes County Ped. and Bicycle Advisory Committee Chair
- o Alan Unger, Deschutes County Commissioner
- o Jeff Monson, Commute Options for Central Oregon Executive Director
- o Gus Burrell, City of Madras City Administrator
- o Karen Friend, Cascades East Transit Deputy Director
- o Kelly Coffelt, Prineville Airport Manager
- o Gary Farnsworth, ODOT Region 4 Area Manager

In preparation for the meeting, the commission posed the following questions for ACT members to consider as part of the discussion.

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

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

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

Gary Farnsworth gave a brief history on the creation of Area Commissions on Transportation (ACTs), and presented the COACT Operating Guidelines to the commission. The guidelines have been expanded to reflect a transportation system, not just a highway system, by recognizing modal representatives with a vote at the table. Chair Egan asked if the ACT felt there was good communication dialog between local transportation advocates and their legislative representation. Alan Unger said there was, especially in the central Oregon area. In the 1990s, the cities recognized the need to organize and speak in one voice to address water needs and issues, and created the Central Oregon Cities Organization (COCO), and through that organization interface with legislators regularly during session.

Commissioner Lohman said changes to the Transportation Planning Rule, to the Access Management Rule, and to Highway Mobility Standards highlight the conflict between maintaining a good state system and servicing local economic interests. The commission is struggling to get the right balance, and he asked if COACT felt it was striking the right balance. Alan Unger said he has learned that you need to make sure you keep what is there today working, and get the promise for change in the future. An incremental approach will help avoid creating barriers that inhibit economic development.

Jeff Monson said it is very important that COACT is now recognizing modal representation because it helps bring the message forward that the Oregon Department of Transportation encompasses all modes of transportation.

Karen Friend agreed, saying Cascade East Transit now sees itself as a member and participant in the solution, and not just an information provider.

Commissioner Baney commented that one of the challenges, in changing from a standard to a target, is the unintended consequences of that. She asked if local jurisdictions and community members really understand what that could mean, and asked that someone address potential congestion issues and concessions, and the ACT's understanding of that. Is there an understanding at the local level that moving from a standard to a target will result in changes that are acknowledged at the local level? Alan Unger responded they could live with more congestion, but the question is how to know there is too much congestion until we get there, so a project or solution can be planned before it gets to an unacceptable level.

Commissioner Lohman said we are partners in some of these decisions. Partners in the sense that some communities say there must be more economic development, and are willing to take a risk that will create more congestion. The OTC is responding that, alright, that is a risk you are willing to take, and we are taking a risk that it won't mess up the whole transportation system too much, which is a true risk on both sides. If, fifteen years from now, a community finds it was a bad bet and there is severe congestion, ODOT will not be in a position to come in with funding and rescue the community. That's why it's important for communities, going in, to understand the risk being taken.

Chair Egan asked COACT what sort of roles it sees itself playing in considering administrative rules, project selection, advocate for revenue, etc. Alan Unger responded that, in the past, the OTC has tried to get a feedback loop started, but it took too much time to get to a decision. We need to find a way to reduce that to be more reactive.

Commissioner Olson asked how COACT would like to communicate with the OTC. What mechanism and frequency should be used for the conversations to relay the ACT's thoughts as situations develop? Alan Unger said Commissioner Papé would attend ACT meetings in the past, and that was a good way to get information to the

commission without having to filter it through ODOT staff. He believes the relationship is good enough in Central Oregon, that everyone is listening to each other and will make the decision when an issue is important enough to elevate to the commission. He suggested this could be done with reports from the ACTs at OTC meetings. Commissioner Lohman said he hopes the ACT feels it can come to the OTC meetings any time it feels an issue needs to be raised.

Gary Farnsworth noted that these conversations take time, and asked how to use technology or web-based tools to connect people and move information back and forth. Time is the biggest factor in getting people to the table.

Commissioner Lohman asked how to get the funding to make transit and bike/pedestrian true modal options, and more specifically, the emergency medical transport, to which the state is proposing changes. Those call centers are real potential resources to the transportation system, and he is concerned about going in a direction that makes them basically inaccessible. Jeff Monson responded that Transportation Demand Management (TDM) is expanding and reaching out to other areas in ways that use technology. Karen Friend said they are currently in a strategic planning session to determine how to fund long-term sustainability. It may require an accumulation of funding mechanisms that require some legislative change, but they are still in the planning stage. She said there is real concern about the emergency medical transport system and what it will mean in terms of human services transportation coordination for the local area. In rural systems, these medical transport systems are an intrinsic part of the system and need to be coordinated. It is a huge connection to the private community, and there are opportunities in that to do other out-of-the-box sort of things in those relationships. There is great concern if these connections are lost.

Commissioner Lohman asked if ten percent more in funding would be enough to increase effectiveness by 40-50 percent. Jeff Monson explained that outreach to the business community is the most important factor in TDM. The cost involved in outreach is low compared to building an intersection, and additional funding would promote outreach to the community and make people aware there are other ways to get to work that are a lot less expensive than driving alone. Karen Friend said creating a Redmond fixed route is the biggest priority for increased funding, and would be a big bang for the buck.

Chair Egan said Oregon has achieved a lot over the last ten years with the funding packages that have been passed. He asked how the packages that have been passed have been received overall. Are people pushing back on those, and what's the sense of people's receptivity or concern on expenditures that have been made? Alan Unger said the 2001 House Bill gave an increase in gas tax, but the legislature gave away all the modernization projects. We had to pay the dues to see that increase coming forward. However, there is not a lot of push back from people saying we are out of scope on what we charge. In fact, we charge way less than a lot of other states. Gus Burril said there is sensitivity any time you raise a tax, but the real point is the need to phase the model away from gas as we move toward hybrids and more efficiency in transit. Under-

funding is going to hurt us in the long-term, and we need a plan to implement a phase-in approach as we come out of the economic recession. Alan Unger said it is the ACT's responsibility to work with the community and develop a plan.

Commissioner Lohman challenged the ACTs to help with the issue of finding a way off the gas tax. It will be a big political challenge to move to another way of funding (vehicle miles traveled) the transportation system, and the ACTs will play a big role at the local level helping people understand why the move is needed.

Chair Egan noted that one of the questions the governor had asked the commission was if we have the right people at the table to have these discussions and make decisions. He said today's conversation demonstrates that COACT has done a very good job to bring the right people, who are very astute and mindful of the issues, to the table. He said the group dynamic has changed to the degree that a lot of credence is given to the thoughtfulness COACT brings to the table.

Cheryl Howard said being at the COACT table, versus being at the COACT table as a voting member is a whole different universe. So often, the issues are the same on the local level when weighing pedestrian and walkable community issues against freight issues.

There was discussion around the role of the Governor's Regional Solutions Teams and it was noted that more representation was needed from the economic development community.

Commissioner Baney moved to adopt the COACT Operating Guidelines. Commission members unanimously approved the motion.

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*Workshop Item 2 – U.S. 97 Corridor*

The commission participated in a panel discussion about the overall vision for the U.S. 97 Corridor, and an innovative and community based planning effort called TRIP 97. *(Background materials in Director/Commission/History Center File, Salem)*

Participating in the panel discussion were:

- John Huffman, State Representative for House District 59
- Chris Doty, Deschutes County Road Department Director
- George Endicott, City of Redmond Mayor
- Annette Liebe, Regional Solutions Coordinator for Central Oregon
- Melanie Widmer, City of Madras Mayor
- Mike Hollern, Brooks Resources Chairman
- Roger Lee, Economic Development for Central Oregon Executive Director
- Bob Bryant, ODOT Region 4 Manager

Bob Bryant said U.S. 97 is a facility of statewide importance that is equally important to Central Oregon and all the communities that it serves. The intent of the discussion with the panel is to identify a common vision that will help guide future public investments in the corridor, and gain a better understanding of how safety and mobility are balanced with economic development opportunities and community growth on U.S. 97. He gave a brief background of the highway

U.S. 97 complements Interstate 5, as a complete north-south corridor east of the Cascades. It is designated as an expressway and statewide freight route on the National Highway System, and supports regional mobility for tourism and recreation. It also connects several communities and provides travel to work, shopping, schools, and other local activities.

ODOT Region 4 has the responsibility to ensure U.S. 97 continues to function well in these many roles and demands, and to provide travel safety, freight mobility, livability, and economic opportunities well into the future. The region is committed to maintain U.S. 97's functionality and integrity as a statewide route, while supporting local mobility and accessibility needs.

Over the past 20-plus years, the long-term vision for the U.S. 97 corridor has been a continuous, separated, four-lane limited-access expressway with bridges and ramp connections at key intersections. The Oregon Transportation Commission, as well as all the affected jurisdictions and agencies (federal, state, local), have recognized this vision as an appropriate and meaningful strategy to investment decision-making.

A major assumption is that economic development on a broader scale is dependent on reliable and safe transportation mobility, and communities are counting on U.S. 97 to support existing jobs, business retention, and future economic development opportunities. Investing in an expressway-type corridor has been recognized as the best way to ensure that Central Oregon's economic base is supported by an effective transportation corridor.

The challenge is to achieve a vision that will continue to be accomplished through incremental investments over time, and will be dependent on the timing and opportunities for funding, increasing demands on the corridor (mobility and safety), community and stakeholder needs and interests, and the needs and opportunities to facilitate economic development and community growth. The future of the economy for communities along the corridor, from Klamath Falls to The Dalles and Central Oregon, depends on how the jurisdictions plan and improve U.S. 97 tomorrow. Collectively, they also need to plan for a system that will continue to serve the needs of future growth. With limitations in funding, these planning efforts will need to shift from major highway investments and focus on Least Cost Planning and Practical Design, and a higher emphasis on alternate modes.

Representative Huffman started the discussion by saying the concept of tax increment financing was suggested as a possible funding source a few years ago. The thought was that if it could be demonstrated that an area's increase in incomes was the result of improvements in transportation, then we should be able to take a portion of that money, by tax increment, and devote it to transportation and start trying to build a piggy bank based on increased income from the improvements.

Chair Egan asked for comments on what improvements to U.S. 97 would mean, in terms of what it would mean today, and their view of what improvements would mean to the regional economy. What are the opportunities that are not being met because of the corridor's current status?

Roger Lee, Economic Development for Central Oregon Executive Director, said access to the highway is a clear selling block to businesses. In the past, it has been a hindrance to not have more flexibility, but there has been a change in how ODOT is doing business in Region 4. Rather than taking the approach of "here's the construct you're going to have to live within," it's now more about being solution oriented and looking for a way to make things work. That kind of approach works very well when dealing with economic development, and the view of ODOT has become much more as that of a partner.

Chris Doty, Deschutes County Road Department Director, gave a PowerPoint presentation on TRIP 97. Highlights of the presentation were:

- o TRIP stands for Transportation-Reinvestment-Innovation-Planning
- o A brief history of transportation planning
- o Complicating factors
  - growth in Central Oregon versus urban growth boundaries
  - stringent mobility standards
  - conservative design standards
- o TRIP 97 Concept
  - redefining performance measures
  - prioritize regional
  - new/unique funding mechanisms
  - create local/state/federal "buy-in" and investment
- o Partnerships
- o Study – status
- o Scope highlights
- o Expanded stakeholder involvement and public outreach

Annette Liebe, Regional Solutions Coordinator for Central Oregon, said she envisions performance measures that actually are alternative mobility targets as one of the potential outcomes of this process. These would ultimately come to the commission for its consideration, and affect how the transportation planning rule is implemented. The role of the Regional Solutions Team, and its highest priority focus, is to help communities implement the revisions to the Oregon Highway Plan and the Transportation Planning Rule. The TRIP 97 project is the most promising way to do that

in the Central Oregon corridor from Madras to La Pine. As alternative mobility targets are considered in this area, they will look at how that might influence other parts of the corridor. The Regional Solutions Team is also focused on regulatory technical assistance around transportation priorities, and seizing opportunities for economic development where the Immediate Opportunity Fund can be a key catalyst to creating that economic development. She also made note of Klamath County's vision, which is that the Highway 97 corridor be a four-lane highway, from boarder to boarder, to serve freight movement as well as to serve as an alternative corridor for emergency preparedness.

George Endicott, City of Redmond Mayor, said one of the major tenets is to protect freight mobility. Part of the concept, when making changes, is not to adversely impact some of the positive things done today. As an executive in the League of Oregon Cities, he has spent considerable time talking with other mayors, and they are extremely interested and watching very closely what is being done on Highway 97 because they can see the advantages of a similar approach or concept for their corridors as well.

Mike Hollern, Brooks Resources Chairman, said that for the first time in a long time he is optimistic about the future of transportation development. He is very impressed with the process, the work with the ACTs, and the outreach being done. But it is a very tough balance considering the state of the money situation. There is a need to spend considerably more money on infrastructure developments, but we're not going to get there for a while. We need to get to a vehicle miles traveled system, but it's not going to happen over night.

Commissioner Frohnmayer serves on the governor's committee on passenger rail, which has been charged with improving passenger rail service in Oregon. He asked the panel if passenger rail service was something that was even on the radar in regard to connecting across the Cascades, or is that out of reach?

Region 4 Manager Bob Bryant said it definitely is on his radar. He was here when passing lanes were built between Redmond and Bend, and when those passing lanes were connected to have a continuous five-lane section. He does not want to be here when we have to have three lanes in each direction, and his strong preference would be to position ourselves to use some sort of public transportation to provide for or accommodate that further growing demand in the corridor. One option is the railroad that runs parallel to Highway 97 throughout. Considering the winter conditions and the nature of the type of traffic, we should think about taking advantage of that rail corridor in a commuter/passenger rail way.

George Endicott said another consideration is if the population in that area could support a system larger than what now exists. He said that in the model we're trying to put together, it is very important to understand how important the management model and goodwill is. Local government in that area has a very good reputation of working together, a good example of which is the diverse tri-county area groups that consorted

to put together one management plan to manage the Deschutes River Basin. This is a good example of regional cooperation.

Representative Huffman agreed that this approach was much more comprehensive, and that it has the entire support of Central Oregon. This is a great step in the right direction because there are answers and solutions, not just problems.

Commissioner Lohman is from Southern Oregon and the feeling there is to fix the Columbia River Crossing because that affects the economy in Southern Oregon, and to also make Highway 97 work for the same reason. Their vision is to make Highway 97 a four-lane expressway. The department's practical design methodology is a good way to get some alternatives and gives some flexibility. But he also wants to make sure we don't end up having a dilatorius effect on the economy in Southern Oregon because Central Oregon is looking for ways to fix its economy. He will be looking at alternative mobility standards with a close eye. We need additional flexibility, but if that flexibility messes up the system, it ultimately has a big impact on not only Central Oregon.

Commissioner Lohman said that when talking about new legislative concepts, attention has to be paid not only to how revenue is raised, but also how it is spent. One of the big issues is how to fund things other than highways, and if we go back to the legislature and all we deal with is the source of income, that won't solve the problem.

Chair Egan asked if there was a vision of incorporating a broader capture area for TRIP 97. The response was that ultimately it's urban area land development, right entitlement. A lot of different scenarios have been discussed, but the understanding is that it's about building trust, and there is certainly an opportunity for it to transpose into other areas.

Roger Lee said the system probably works fine for communities that don't have a lot of growth, but the system is definitely broken for faster growing communities. That, combined with restrictions and inflexibility in the land use system, is making faster growing communities run out of options, and running out of places to locate what the state needs most – jobs that bring in the revenue to support the state. TRIP 97 is a step in the right direction to try and find solutions that are responsible about the funding challenges, but also lets communities help solve their problems.

Melanie Widmer, City of Madras Mayor, said the inability to rezone residential lands into commercial land, because of the Transportation Planning Rule (TPR), was very frustrating and killed economic development in her community. She is very encouraged by the TRIP 97 concept that creates funding and some flexibility.

Commissioner Baney said we are allowing flexibility, so there aren't legislative fixes every time there is a problem between land use and transportation. With that, we do need to be mindful and watch out for the landmines of unintended consequences because we could set ourselves up for an aging infrastructure that is just completely decimated. She noted from a county perspective that a highway going through a

community really creates unique situations (kids on sidewalks along expressway, etc.). How do we balance the community aspects with moving traffic through the city area? It underscores the fact that even if there was money for four lanes, we need to get people off the highway and on the appropriate modes, and give people the ability to get on transit, use rail, and use car-pooling to create that infrastructure. The ability to infuse flexible funds into a community is critical because there will never be enough to just continue and build.

Commissioner Frohnmayer clarified that tax increment financing basically means borrowing against future increases in tax revenue to fund projects that will create that increase in tax revenue. He said borrowing from the future always seems risky, and he cautioned we should be conservative in our approach.

Chair Egan confirmed that a sequestration of an income or property tax would be flexible and not have the constraints of being in the Highway Fund, while a gas tax would. There are some communities that fund transportation improvements with a sales tax sequestration, and he asked if they've looked at models in other communities that use some of these tools. The response was not yet.

Chair Egan asked the panel members for their sense of public acceptance or push back on recent transportation packages, and their sense of public satisfaction or confidence in department led, or local government led, transportation projects. Is there angst, satisfaction, or inertia in the public around transportation funding and expenditures? George Endicott responded that there was not a lot of appetite in his Central Oregon area for a three percent gas tax (defeated by a 70 to 30 margin), and that has created some limitations on what they can do.

Representative Huffman said he was one of a handful of people who voted no on House Bill 2001 (Transportation Bill) for a number of reasons. One being that the region he represents has a large segment of unemployed people, and telling them their fuel was going to increase by six cents a gallon was just not feasible from a common sense or economical view, and had nothing to do with electability. Other reasons for the no vote involved the earmarking that took place with that particular bill, and loss of the ag exemption. While he did vote no on the bill, he did not oppose the bill and lobby against it because he could see the job creation, the good, and the need of it. He encouraged the commission and the department to keep working, looking for creative ideas, while understanding that there is an east/west, or more appropriately, a rural/metro divide. During discussions about some type of a mileage tax, we have to remember that some people in Oregon necessarily drive farther.

Mike Hollern said he has heard no complaints about gas tax or registration fee increases. He does find people who criticize the deteriorating condition of the infrastructure. He noted that the relationship between ODOT and the City of Bend and Deschutes County has significantly improved over the years, and he commended Director Garrett and Region 4 Manager Bob Bryant for making that happen.

Commissioner Egan thanked the panel members for their time, thoughtful comments, and the overall work done.

Commissioner Olson concluded by saying it's a different world, and we can't leave any legacy to our children with the track we are on. It's not fair, it's not sustainable. She is encouraged that the state and the department are starting to understand that there is a vast population to draw creative and innovative ideas from, starting with funding. What are we going to fund? How are we going to fund it?



Chair Egan adjourned the meeting at 4:53 p.m.



Thursday, August 18

*Formal Monthly Meeting*

At 8:00 a.m. the Oregon Transportation Commission and ODOT staff held a premeeting briefing session and reviewed the agenda in the Executive Room at the Inn at Cross Keys Station, 66 NW Cedars Street, Madras, Oregon. Highlights of the premeeting were:

A review of the agenda.



*OTC Blog*

Communications Division Administrator Patrick Cooney said OTC members and staff, including the Department of Justice, discussed the possibility of a web-based platform that would allow commissioners to discuss relevant issues before meetings. Staff reported that any attempt to set up such a system would still require all the actions under public meeting laws. The discussion was left with the agreement to see what legislative remedy might be put forth in 2013, following on a failed attempt in 2012 to exclude email communications from public meeting requirements.



The formal monthly meeting was held in the Main Conference Room. Chair Egan called the meeting to order at 9:55 a.m. City of Madras Mayor Melanie Widmer welcomed the commission to Madras, and acknowledged the time and energy members put into their role as commissioners.

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*Director's Report*

***FMCSA Chief Council Supports Oregon Bus Inspection Letter – Director Garrett  
Pacific Northwest Motorcoach Association (PNMA)***

Motor Carrier staff attended a meeting of the Pacific Northwest Motorcoach Association in Woodlands, Washington, on Tuesday, April 10, 2012, and resolved concerns from Mr. Joseph Gillis, that the commission heard about at its March meeting during public testimony.

Motor Carrier Division Administrator Gregg Dal Ponte met with the PNMA Board of Directors. ODOT MCTD Safety Manager David McKane gave a presentation on the Oregon bus inspection program, and ODOT MCTD Safety Inspector David Rios gave a live demonstration of a bus inspection. A healthy question and answer session resolved most of the concerns that had been expressed. This outing demonstrated, with actions, what the words mean in the MCTD mission statement: The mission of the Motor Carrier Transportation Division is to promote a safe, efficient, and responsible commercial transportation industry by simplifying compliance, reducing regulatory requirements, wherever appropriate, preserving the infrastructure, enhancing the private/public partnership, fostering effective two-way communication, and delivering superior customer service while recognizing the vital economic interests of the commercial transportation industry.

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***Storms Hit Oregon Highways Hard***

Director Garrett gave a brief presentation on some of the damage caused by recent storms, and the work done by ODOT maintenance staff. He said that less than two months after a January storm hit Oregon highways hard, southwest Oregon was walloped by another storm that dumped heavy volumes of rain, causing flooding, landslides and other problems that did significant damage to highways. Most of the damage occurred in Curry and Coos Counties. U.S. 101, the Cape Arago Highway (OR 240), OR 42S, Powers Highway (OR 242) and other state highways and local roads were restricted or closed by fallen trees, debris flows, and collapsing lanes. On one section of U.S. 101 south of Gold Beach, the road dropped nearly six feet. ODOT maintenance crews and private contractors responded quickly and repaired the state highways to get traffic moving again. However, many sections can't be repaired properly until the ground dries and the earth stops moving.

ODOT and local governments—particularly Coos County and Curry County— are adding up the damage, which will likely total several million dollars. Luckily, the Federal Highway Administration's Emergency Relief Program will likely reimburse most of the costs of reopening the highways, preventing the burden from falling on cash-strapped local governments and the state.

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***OIPP – TIGER II Project Monitoring Session***

Director Garrett attended the TIGER II project monitoring session this week. He noted two things of particular interest the FHWA team remarked on. First, the EV Charging is the only one of its kind, and was selected for funding by Secretary LaHood. As such, it is likely to come under intense scrutiny in a presidential election year from nay-sayers who wish to attack the president's alternative energy agenda. The second was that the team is nearing the end of its review of the 42 projects funded in TIGER II, and members said that this program was the best executed and documented that they have reviewed. This is a testimonial to the dedication and involvement of the TIGER II Steering Committee and, in particular, the meticulous attention to detail from Ashley Horvat.

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***Public Comments***

Public comment was received from: none

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***Active Transportation Section***

The commission received a presentation on the combined process to solicit and award pedestrian and bicycle projects, and other Transportation Enhancement projects, in 2012. It considered approval of the criteria to evaluate project proposals received through this process. (*Background materials in Director/Commission/History Center File, Salem*)

Transportation Development Division Administrator Jerri Bohard introduced Transportation Enhancement Program Manager Pat Fisher and gave a brief overview of Transportation Enhancement activities, focus areas for project selection, program goals, and evaluation factors.

Chair Egan asked for examples of the differences in guidelines and requirements between state and federal grant applications. Pat Fisher explained that state funds awarded to local jurisdictions (city or county) can proceed under state contracting rules to secure a consultant and proceed with the project. With federal funding, if the applicant is not a certified agency that has gone through the certification program, it will have to secure the consultant through the approved consultant selection process, and will have a much higher bar for environmental considerations, procurement considerations, and contract considerations. There are several different layers of protections and reviews that come with federal projects that make a difference in the cost compared to a state project. For that reason, those applicants aren't asked to put in detailed cost estimates at the initial phase of the project because it's not known if the project would be better suited for state or federal funding.

Commissioner Lohman clarified that the process will make it easier from an applicant's standpoint because there will be help on the front end, in the first stage, to help the applicant develop more details in terms of scope and cost so they can put together a fully formed application for the second stage.

Commissioner Baney asked if any of the system benefits or community benefits are linked to look at comprehensive plans, TSPs, or health improvement plans so that we're actually linking to the community's vision. Pat Fisher responded that there has been that effort in the past with the use of approved focus areas, one of which was how does the project support established efforts at health promotion, economic development, and miscellaneous other components. In this funding, there is a stronger effort to have projects tie directly to the adopted plans in the area. The application form does not just ask if the project conforms with their plan, it asks what plan, and does it comply with a general statement in the plan, a specific statement in the plan, or a specific project list in the plan.

Director Garrett asked if the issue of leveraging additional money is embedded up front in the legacy benefit when looking at appropriate cost effective use of transportation funds. Is that implicit in the statement? Pat Fisher responded that a large part of the discussion in the first few meetings of the Oregon Bicycle and Pedestrian Advisory Committee and Transportation Advisory Committee was concern over whether this scenario was going to present a fair and balanced opportunity for urban versus rural, east versus west, large versus small, and bike/ped versus the other types of transportation enhancement projects. The vision and goals, as well as the criteria, are set up to assure that we can develop criteria that will effectively allow comparison of a much broader range of projects. The committees also had concern about how fast the process was going and the outreach efforts, so they are trying to get the outreach effort in place both at ACT meetings and on the webinar. In regard to leveraging, the committees used language that is different from what we're used to in the STIP, but if you go to importance and meaning, the new language combined the wording around priority within the agency or the community, the urgency based on the problems or lost opportunities, and then the need based on opportunity for other funds.

Director Garrett took the opportunity to acknowledge the dedication, commitment, and investment of not only the advisory committees, but also Pat Fisher, Sheila Lyons, and Jerri Bohard, without whom this would not have happened without their professionalism and dedication. Above and beyond the call of duty for not only these three individuals, but also for the advisory committee members that came together with a goal to do things differently.

Commissioner Olson said that when making the transition away from the silos we historically have had, connectivity is one of the system benefit criteria. It's an opportunity to have all of the advisory groups think not only about the connectivity of bike/ped, but also how this bike/ped project is going to connect with other modes of

transportation, or how this path is going to end up at a transit station that will allow even further distances to be covered in alternative forms of transportation.

Commissioner Frohnmayer moved to approve the evaluation criteria. Commission members unanimously approved the motion.

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***2015-2018 Funding Allocations and Project Selection Process***

The commission received an informational overview of the funding allocation and project selection process changes under development. The presentation addressed the issues that support the development of the proposed alternatives to current processes. Staff presented preliminary scenarios and asked for commission guidance in terms of the further development of scenarios. (*Background materials in Director/Commission/History Center File, Salem*)

Highway Division Administrator Paul Mather and Jerri Bohard gave a PowerPoint presentation on *Changing ODOT's Funding Allocation and Project Selection Processes*. Highlights of the presentation were:

- Issues brief – a description of the issues, and approaches to addressing them
- ODOT funding allocation buckets
- Timeline
- Objectives
  - Determine direction on which programs to include in Enhance and Fix-It categories
  - Determine what information is needed to understand the context for scenario development
  - Develop draft application and criteria for discussion at May OTC meeting
- Funding levels 1, 2, and 3
- Category allocation
- Pavement conditions
- Culvert needs
- Bridge conditions
- Bicycle and pedestrian needs
- Public transportation and transportation options
- Rail, freight and passenger
- Roadway investment needs
- Grant applications and grant program information
- Enhance and Fix-It project selection process

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*Amendment of Temporary Oregon Administrative Rule 734-051*

The commission considered approval of a request to amend the temporary Oregon Administrative Rule 734-051 to incorporate work of the Access Management Stakeholder Committee. (*Background materials in Director/Commission/History Center File, Salem*)

Region 4 Manager Bob Bryant said the OTC approved temporary OAR 734-051 at its December 21, 2011, meeting. During the presentation and testimony on the temporary rules, ODOT staff and Access Management Stakeholder Committee (AMSC) members pointed out that the issue of unpermitted approaches needed further work in the temporary rules. The AMSC members who spoke to the commission emphasized the importance of resolving this issue in the temporary rules, if possible, rather than waiting until the adoption of permanent rules later this year.

A subcommittee of ODOT staff and members of AMSC worked together over the past few months to develop the proposed amendments. These amendments clarify how ODOT will work with the applicant during the change of use process to bring existing unpermitted approaches under permit.

Unpermitted approaches exist for a variety of reasons. Currently, OAR 734-051 allows unpermitted approaches to be grandfathered or brought under permit. Grandfathering provides written permission for the property owner to continue using the approach until a change of use occurs. Unpermitted approaches that do not qualify to be grandfathered are subject to the same permit approval criteria that are applied to applications for new approaches. The proposed revisions will allow unpermitted approaches to be reviewed and approved using the less stringent criteria ("moving in the direction of") that is applied to permitted and grandfathered approaches when unpermitted approaches are part of a change of use application.

Bob Bryant requested the commission approve an amendment to the temporary rule and authorize staff to work with the Secretary of State to amend the temporary rule. The permanent rule will be in place early this summer, but this is an important issue to stakeholders and so worthwhile to amend the temporary rule to make this change which was pretty significant. The change just applies to the change of use condition where we have an existing driveway(s) to a business or property, but the driveway had never been permitted before.

Commissioner Baney noted the earlier discussion around expressways not really being the same around the state, and suggested putting this on the work plan. Also, rather than taking a broad brush approach, we should take a more surgical look. We have in place the opportunity to apply different standards, if necessary, in unique circumstances. So, rather than changing the designation outright, just adjust where the issues arise.

Chair Egan added that when the permanent rule comes for approval, the commission is willing to revisit the permanent rule if data and circumstances change because of what we're doing with the comprehensive review of the expressways. There's work to be done to gather and interpret the data, but basically we are not approving a bunch of new driveways until there is a better sense of what's in front of us.

Commissioner Lohman clarified that the commission is cognizant that it is not in total consensus with the stakeholders on this. Some of the stakeholders have a different viewpoint, and while the commission understands that viewpoint and is not denying the validity of that viewpoint, it has an obligation to make sure the system is being protected as a whole.

Director Garrett confirmed the commission's approval to move forward, with the understanding that there is a lack of data and analysis specific to expressways. The commission has asked the agency to engage that discussion on what we have classified right now. As we move to permanent rule, there is always the opportunity with additional information and additional engagement, to come back and amend the permanent rule based on a better informed discussion.

Bob Bryant clarified that the issue is that, right now, the exemption from considering the unpermitted driveways in the change-of-use process does not include expressways and how we handle that. The temporary rule could be amended as it is right now, with the exclusion of expressways, or you could ask staff to add expressways. Then we could work on that with stakeholders between now and the permanent rule. His understanding is that the commission agrees with the amendment as written, and will deal with expressways at a later date.

Chair Egan said he was comfortable with dealing with this issue at a later date when he was under the impression expressways **would not** be excluded as an exemption, and we would take the more conservative approach in the short term and consider relaxing that later if there was huge pushback. His concern being that once you start with a relaxed position, it's politically much more challenging to move to a more restrictive approach. He suggested the approach back to the stakeholder committee should be that strong justification is needed **not** to exempt expressways, and in the absence of that, the final rule would include the exemption for expressways.

Bob Bryant said there would be no further examination of expressways between now and June, when the permanent rule goes into effect. Staff is comfortable that it knows what the commission intended by the designation of expressways. What we don't have is an exemption in the rule that would say for expressways we should use the highest level of scrutiny possible in evaluating whether or not we can support re-permitting or permitting a driveway on an expressway. He clarified that what Commissioner Frohnmayr proposed is that we go back and re-engage stakeholders on whether they also would see the importance of expressways and rethink the need to apply that higher scrutiny when we have an application on an expressway.

Chair Egan said that if we took that course of action, the risk of massive amounts of new access change-of-use applications coming through is very small. It gives us opportunity and flexibility in the near term to have that discussion before June.

Commissioner Lohman moved to approve the proposed temporary rule, with the change to include expressways as an exempted category. Commission members unanimously approved the motion.



The commission took a 10-minute break to collect lunches and resumed the meeting.



### *Columbia River Crossing*

The commission received an informational presentation of the Columbia River Crossing project from Columbia River Crossing Deputy Project Director Kris Strickler.

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

Kris Strickler gave a PowerPoint presentation on the Columbia River Crossing (CRC) project. Highlights of the presentation were:

- a corridor of the future – critical link between Canada and Mexico, with an estimated \$40 billion in freight across the bridge annually
- public identified needs and solutions
- purpose and need – addresses six critical I-5 problems
  - crashes
  - congestion
  - freight immobility
  - limited transit options
  - poor ped/bike access/connectivity
  - earthquake risk
- seven closely spaced interchanges
- high number of collisions
- collisions increase during congestion
- project map\project cost
- Record of Decision
- comprehensive finance plan
- funding sources – federal, toll revenue, Washington state, Oregon state
- revenue bonding examples – Oregon transportation bonding programs
- Treasurer's report on key findings
- tolling – state and legislative responsibilities, bi-state tolling
- Governor's request to CRC
- phasing assumptions
- next steps
- project development schedule

Chair Egan noted that the tolling authority essentially rests with the commission and asked when the commission would take that action. Kris Strickler responded that there is a lot of statutory work that still needs to be done. There is a significant amount of discussion about debt allocation that will drive some of the other actions, but the real discussion will start in the next few months, but for that to mature and develop itself will take some time.

Chair Egan asked if the 2013 legislature saw the leverage opportunity that we see and acted and funded the full \$450 million for Oregon, and if Washington similarly acted in that same timeframe, when would the OTC take its action to move forward on a toll? Kris Strickler responded that we would have to look at the total, overall financial plan that has us engaged in precompletion tolling, which usually begins six months after construction starts. Assuming construction starts the end of 2013, six months after that is when tolling starts, the agreement on toll rate setting and investment analysis done prior to that construction start window.

Commissioner Olson talked about funding to jurisdictions and the unintended consequences if someone doesn't perform. She asked how we keep Oregon out of harm's way as far as liability is concerned. Kris Strickler explained that there are a lot of complexities that relate to the different agreements that have to be made as we move forward. That said there are a lot of fail-safes in place. The state treasurer makes the recommendation on the capital costs, which is a key element in being able to assess revenue. Providing that risk-based assessment on all capital cost estimating, and providing a project that you can start construction on and then build upon as you go forward, helps when that funding source comes in a little lower. Another thing is that we have a pretty wide range on a few funding options, so our ability to adapt in that manner will help to cover those things.

Chair Egan said the funding timeline assumes legislative action, and asked what the risks would be if that doesn't occur until 2014 or 2015. Kris Strickler said the immediate risk would be cost inflation, but also missing the window of significant federal support and programs that lend themselves to accommodate a project like this. As we push out to 2014-2015, the timing might not be so advantageous.

Commissioner Olson said she hoped the joint states will come to agreement on and make public the fact that, if for any reason this project does not go forward as planned, tolling will still happen on that bridge because sooner or later it will have to be replaced and will need funding. It might be worth the political collateral to have some kind of a joint decision that says tolling will occur regardless. Director Garrett agreed that was a fair assessment. However, it is time to lean hard now because the situation will not get better over time. Let's show some leadership, take advantage of the strong partnership we have with the federal government, and take this opportunity we have now and move forward.

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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 March 21, 2012, Commission meeting in Salem.
2. Confirm the next two Commission meeting dates:
  - Wednesday, May 16, 2012, in McMinnville
  - Wednesday and Thursday, June 20-21, 2012, meeting in Coos Bay
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Approve the following Oregon Administrative Rule:
  - a. Amendment of 740-100-0230 relating to prohibited use of trailers for carrying passengers.
5. Approve a request to redistribute and not-to-exceed \$45,000 Industrial Rail Spur Funds to East Marion/Willamette Valley Railway Company for flood repairs in Marion County.
6. Approve and acknowledge receipt of the Immediate Opportunity Fund Annual Report for State Fiscal Year 2011.
7. Approve a request to adopt both the Port of Morrow and Interstate 84/U.S. 730 Interchange Area Management Plans in Region 5. The adoption of these two facility plans will amend the Oregon Highway Plan to include an IAMP for the Port of Morrow interchange area at Exit 165 and the U.S. 730 interchange area at Exit 168 along Interstate 84. Oregon Transportation Commission adoption will establish policies for the interchange areas to guide ODOT and local governments to manage the interchange facilities. Both IAMPs have been adopted into all relevant local comprehensive plans and transportation system plans.
8. Approve a request for permission to appear before the Legislative Emergency Board to request retroactive approval to apply for two Federal Transit Administration grants-\$3.8 million from the Bus Livability Program, and \$4.5 million from the State of Good Repair Program.
9. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program to add the following three preservation projects, Oregon 126: Interstate 5, U-xing-Oregon 126B; U.S. 26: Wolf Creek-NW Hayward Road; and U.S. 30: Columbia City-Jones Road. Funding for these three projects will come from project savings contained in the Region 2 Financial Plan. The total estimated cost for these projects is \$15,339,000.
10. Approve a request to amend to the 2010-2013 Statewide Transportation Improvement Program to add the U.S. 101: 123<sup>rd</sup> – Alsea Bay Bridge (MP 147-155) project. Funding for this project will come from project savings contained in the Region 2 Financial Plan. The estimated project cost is \$4,091,000.
11. Approve a request to amend the 2010-2013 Statewide Transportation Improvement Program to cancel the construction phase of U.S. 26: Staley's Junction

Improvements due to the \$11 million funding gap and better-than-expected effectiveness results from the interim safety improvements.

12. Approve a request to increase the construction authorization of \$1,676,345.56 or 9.90 percent of the current construction authorization for rehabilitation work on the Oregon 43: Willamette River Bridge (Oregon City) project. A previous request for increase in construction authorization in the amount of \$2,805,481.88 was approved on August 25, 2011. This increase will change the construction authorization from \$16,932,395.37 to \$18,608,740.93. To date, this project is approximately 50 percent complete.

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

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Chair Egan adjourned the meeting at 2:23 p.m.

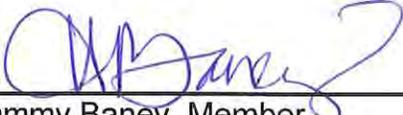
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Pat Egan, Chair

  
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David Lohman, Member

  
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Mary Olson, Member

  
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Mark Frohnmayer, Member

  
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Tammy Baney, Member

  
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Roxanne Van Hess, Commission Support