

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Telephonic Monthly Meeting
August 13, 2020
Salem, Oregon**

The regular meeting began at 8:35 a.m. at the Oregon Department of Transportation Headquarters in Salem, Oregon.

Video recording of the meeting is available online through the commission website:

<https://www.youtube.com/user/OregonDOT/live>.

Background materials for all agenda items are stored in **Director/Commission/History Center File, Salem, Oregon.**

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

Chair Robert Van Brocklin
Vice Chair Alando Simpson
Commissioner Julie Brown
Commissioner Martin Callery
Commissioner Sharon Smith
Director Kristopher Strickler
Asst. Director for Finance and Compliance
Travis Brouwer
Asst. Director for Operations, Cooper Brown
Asst Director for Social Equity Nikotris
Perkins
Asst. Director for Government and External
Relations Lindsay Baker
Climate Office Director Amanda Pietz
Urban Mobility Office Director Brendan Finn
Urban Mobility Office Deputy Director Della
Mosier

Toll Program Director Lucinda Broussard
Policy, Data and Analysis Div Admin Jerri
Bohard
Delivery and Operations Div Admin Karen
Rowe
Delivery and Operations Deputy Div Admin
Mac Lynde
Statewide Investments Management Section
Manager Jeff Flowers
Planning Section Manager Erik Havig
WSP National Toll Practice Consultant Philip
Miller
Commission Chief of Staff Jess McGraw
Commission Coordinator Michelle Bowlin
Commission Assistant Erika Zuelke

Chair Van Brocklin called the meeting to order at 8:35 a.m.

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OTC Chair's Report
Agenda Item A

Oregon Transportation Commission (OTC) Chair Robert Van Brocklin welcomed those tuning in and participating in the meeting and thanked the public for their submitted comments. He noted there would be live closed-captioning available during the meeting to assist in transcribing the meeting.

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Director's Report
Agenda Item B

ODOT Director Strickler provided a report to inform the commission of three items of interest:

- Oregon Department of Transportation, Oregon Department of Environmental Quality, Oregon Department of Energy, and Oregon Department of Land Conservation and Development officially signed the Memorandum of Understanding (MOU) shortly after the July OTC meeting. This signaled a cooperative multi-agency long-term agreement to implement the Statewide Transportation Strategy for Greenhouse Gas Reduction. The MOU includes a commitment to continue collaboration among the four agencies for Every Mile Counts, with work plans every two years, regular high-level engagement, and accountability mechanisms.
- He recognized Gregory Johnson as the Interstate Bridge Replacement Program administrator. In this role, Johnson will jointly represent both ODOT and Washington State Department of Transportation (WSDOT) to lead development efforts. He was selected from a national pool of candidates due to his proven history of effective transportation leadership in both the private and public sectors.
- ODOT videographers Rod Stevens and Julie Murray took home three prizes in the 2020 Videographer Awards, which is an international competition. Murray and Stevens won an Award of Excellence for the Oneonta Tunnel Rock Scaling video. Murray won an honorable mention for a video on tire anomalies and how ODOT works to prevent dangerous blowouts. Stevens won an Award of Distinction for his Basque Station video.

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Federal Funding Update
Agenda Item C

The commission received an update on Congressional actions on surface transportation funding, including reauthorization and economic stimulus/revenue replacement legislation.

Background:

There has been a great deal of debate and proposed action related to federal surface transportation policy and funding in recent months. The COVID-19 pandemic has had a significant negative impact

on state departments of transportation (state DOTs) across the country. Revenues are down considerably at ODOT, and many other states are even worse off. Additionally, the current authorization for federal surface transportation and policy, the FAST Act, is scheduled to end on September 30, 2020. Without a new authorization in place, federal highway, transit, safety and rail programs will shut down unless Congress acts. While these two conversations initially started out separately, they have converged over the past month.

COVID Relief Funds

After the passage of the CARES Act in late March, many congressional observers assumed that Congress would turn to infrastructure funding as a next step in virus relief conversations. After all, Congress has looked to infrastructure as an employment generator in past recessions. Furthermore, with some states losing out on hundreds of millions of dollars every month during the initial wave of shutdowns, many hoped that Congress would step in and bail out struggling state DOTs.

After surveying its membership (including Oregon), the American Association of State Highway and Transportation Officials (AASHTO) requested \$50 billion in special funding from Congress to help state DOTs make it through the next 18 months without cutting projects, staff or other essential work. The House of Representatives responded to the request with passage of the HEROES Act in late May. This \$3+ trillion COVID relief bill includes dozens of provisions, including an additional \$15 billion in relief funding for transit providers and \$15 billion in relief funding for state DOTs.

Oregon's share of this proposed \$15 billion would be \$186.6 million. A portion of this funding would be sub-allocated to the larger urban areas (\$39.9 to the Portland area, \$6.5 million for the Eugene area, and \$6.2 million for the Salem area), leaving \$133.7 million for the state. This funding would be highly flexible. ODOT could use it on any regular construction projects, on maintenance and operations work, or to backfill lost funding for employee salaries or administrative expenses.

Importantly, there are no shovel-ready requirements or aggressive obligation timelines for these funds. In the American Recovery and Reinvestment Act of 2009, these aggressive obligation timelines forced the OTC and ODOT to very quickly prioritize and program the funding on projects around the state. The HEROES Act relief funding would "remain available until expended."

Despite the rapid passage of the HEROES Act in the House of Representatives, it has not been taken up in the United States Senate. Given the partisan divide between the two chambers, the HEROES Act is not expected to move forward in its current form.

Surface Transportation Reauthorization

As discussed above, the current authorization for federal highway, transit, safety and rail programs expires at the end of September 2020. Congress has been discussing reauthorization of the FAST Act for over a year. In summer 2019, the Senate Committee on Environment and Public Works unanimously passed the America's Transportation Infrastructure Act (ATIA), a five-year reauthorization of the federal-aid highway program (transit, rail and safety programs are handled by other committees in the Senate).

The House responded in early June 2020 as House Transportation and Infrastructure Committee Chairman Peter DeFazio introduced the INVEST in America Act. The \$500 billion INVEST Act would reauthorize federal surface transportation programs for a five-year period. The INVEST Act

is unique among transportation reauthorization proposals because of the COVID-19 pandemic. Indeed, year one of the bill essentially extends FAST Act policy and funding for a year. States would not have to implement any new policies. Importantly, states would receive an infusion of funding in year one on top of the regularly apportioned funding to help deal with the pandemic. This additional funding is essentially identical to the \$15 billion provided in the HEROES Act as discussed above. In year one of the bill, Oregon would receive a 30 percent federal funding increase. For the most part, years two through five of the bill would see more typical annual funding growth (less than two percent).

The House Committee on Transportation and Infrastructure held two days' worth of hearings on this bill in June and eventually passed the bill out of committee on a partisan basis. House leadership then combined the INVEST in America Act with several other infrastructure-related bills (airports, ports and harbors, broadband, drinking water, energy and more) to create a single, comprehensive infrastructure investment bill, the Moving Forward Act. This \$1.5 trillion bill passed the House on a heavily partisan basis in early July.

Federal Highway Trust Fund Solvency

Every year since 2008, expenditures from the federal Highway Trust Fund have easily exceeded the revenues flowing into the fund (almost 90 percent fuels tax derived). Thankfully, Congress has regularly bailed out the fund to ensure its continued solvency. With fewer miles being driven nationally due to the pandemic, the Highway Trust Fund's basic fiscal imbalances have only been magnified in recent months. Prior to the pandemic, the Highway Trust Fund was projected to again become insolvent sometime in late calendar year 2021; however, recent losses of billions in anticipated revenues—and increases in expenditures as some states accelerate construction—have moved that date forward by several months to sometime in early 2021. Without sufficient revenues in the Highway Trust Fund, and without a successor to the FAST Act in place, Congress will soon be forced to confront the dual challenges of finding more money and coming to agreement on a new authorization.

Likely Next Steps

Given that 2020 is a Presidential election year and partisan tensions are at an all-time high, Congress is not expected to pass a final surface transportation reauthorization bill before the expiration of the FAST Act. Most likely, Congress will pass a short-term extension of surface transportation funding and policy. For now, the best guess is that this extension will run from October 1, 2020 through sometime in the Spring of 2021. At that point, Congress may take up the reauthorization conversation again. They may also pass another short-term extension at that time (it took over thirty such extensions before the FAST Act was finally adopted).

There is still a chance Congress will pass some sort of special COVID relief funding for state DOTs, although there are not many legislative days left in Washington DC between now and Election Day. AASHTO has refined its ask of Congress and is now pressing for \$37 billion in relief funding for state DOTs. Negotiations between the White House, Senate leadership and House leadership have moved forward in fits and starts in recent days, however, there is still no guarantee that funding for transportation generally (or state DOTs specifically) will be included in any bill.

Presentation:

ODOT Assistant Director for Revenue, Finance and Compliance Travis Brouwer presented a [PowerPoint](#) and gave an update on Congressional actions on surface transportation funding, including reauthorization and economic stimulus and revenue replacement legislation. Brouwer gave an overview of the revenue losses the agency is experiencing due to the COVID-19 pandemic. He noted the American Association of State Highway and Transportation Officials (AASHTO) requested \$50 billion in special funding from Congress to help state departments of transportation (DOTs) make it through the next 18 months without cutting projects, staff or other essential work. The House of Representatives responded to the request with passage of the HEROES Act in late May, but this was not taken up by the Senate. Oregon's share of the proposed \$15 billion would be \$186.6 million. A portion of this funding would be sub-allocated to larger urban areas (\$39.9 million to the Portland area, \$6.5 million for the Eugene area, and \$6.2 million for the Salem area), leaving \$133.7 million for the state. He noted the funding would be highly flexible. ODOT could use it on any regular construction projects, on maintenance and operations work, or to backfill lost funding for employees' salaries or administrative expenses.

Brouwer discussed surface transportation reauthorization and noted the current authorization for federal highway, transit, safety and rail programs expires at the end of September 2020. Congress has been discussing reauthorization of the FAST Act for over a year. In early June 2020 the House Transportation and Infrastructure Committee Chairman Peter DeFazio introduced the INVEST in America Act. The \$500 billion INVEST Act would reauthorize federal surface transportation programs for a five-year period. After two days' worth of hearings on this bill the House Committee on Transportation and Infrastructure passed the bill out of committee on a partisan basis. House leadership combined the INVEST in America Act with several other infrastructure-related bills to create a single comprehensive infrastructure investment bill, the Moving Forward Act. This \$1.5 trillion bill passed the House on a heavily partisan basis in early July 2020.

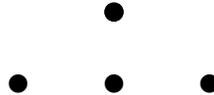
Brouwer highlighted the Federal Highway Trust Fund solvency. He noted every year since 2008, expenditures from the federal Highway Trust Fund have easily exceeded the revenues flowing into the fund. With fewer miles being driven nationally due to the COVID-19 pandemic, the Highway Trust Fund's basic fiscal imbalances have only been magnified in recent months. Without sufficient revenues in the Highway Trust Fund, and without a success for the FAST Act in place, Congress will soon be forced to confront the dual challenges of finding more money and coming to agreement on a new authorization.

Finally, Brouwer discussed likely next steps. Most likely, Congress will pass a short-term extension of surface transportation funding and policy. For now, the best guess is that this extension will run from October 1, 2020 through sometime in the spring of 2021. At that point, Congress may take up the reauthorization conversation again. He noted there is still a chance Congress will pass some sort of special COVID relief funding for state DOTs, although there are not many legislative days left in Washington DC between now and Election Day. Negotiations between the White House, Senate leadership and House leadership have moved forward in fits and starts in recent days, however, there is still no guarantee that funding for transportation generally will be included in any bill.

Discussion:

Vice Chair Simpson asked if the federal government has had discussions about resiliency funding and noted there is a lot of focus on disaster relief. Brouwer noted the federal government has been the last resort to bail out local and state government after there has been a disaster and that model is very expensive. He thinks the goal Congress is trying to focus on is resiliency up front: invest money upfront to reduce expenditures on the backside. Brouwer noted he isn't sure how the funding would play out in this legislation but believes there would be a lot of support.

Action: None taken.



Allocation of Oregon's Federal-Aid Highway Program Redistribution Funding for Fiscal Year 2020

Agenda Item D

The commission was requested to approve the allocation of Federal-Aid Highway Program redistribution funds for Federal Fiscal Year (FFY) 2020.

Background:

During the development of each Statewide Transportation Improvement Program (STIP), the Oregon Department of Transportation (ODOT) makes an estimate of federal highway program funds available in each federal fiscal year. This estimate, which must be made years before funding is actually appropriated by Congress and distributed by the Federal Highway Administration (FHWA), is approved by the commission in the Statewide Transportation Improvement Program (STIP) funding allocation. Each year, ODOT compares this estimate against actual federal funding provided and adds projects to the STIP if additional funding is available.

At the end of each fiscal year, FHWA redistributes unused federal-aid highway program funding from a variety of sources. This is known as "redistribution," and these funds must be obligated to specific projects by September 30 of the fiscal year. ODOT includes an assumption of redistribution in the STIP allocation to ensure that Oregon is ready to obligate the funds to projects by the end of the fiscal year deadline. Due to a variety of factors, the FFY 2020 redistribution may significantly exceed the average annual redistribution amount and the amount assumed in the current STIP.

FHWA will not announce redistribution amounts for FFY 2020 until the end of August. ODOT expects 2020 amounts may be on par with FFY 2019, when ODOT received \$19 million in funding over and above the amount built into the STIP. Based on the urgency to allocate these 2020 funds, ODOT has identified projects that meet three criteria:

- 1) Need for additional funding.*
- 2) Ability to quickly obligate funding.*
- 3) Legislative, federal or gubernatorial direction to undertake the project.*

ODOT recommends allocating funds to the following projects that meet these criteria:

- Metropolitan planning organization scenario planning.*
- Americans with Disabilities Act (ADA) Curb Ramps.*

- *Interstate Bridge Replacement Program.*

American Disability Act (ADA) Curb Ramps

As part of the agency's ADA settlement agreement, ODOT is working toward addressing deficient curb ramps. In April 2020, the OTC allocated an additional \$49.4 million in unallocated federal funds for the ADA Program to continue to meet the requirements of the settlement agreement for projects in 2020 and the development costs for projects in 2021. However, the ADA Program still needs an estimated \$100 million in additional funding through September 2022 to complete projects over the next three construction seasons. Funding from the 2020 redistribution will buy this amount down, but additional funding will be needed, whether from future years of redistribution or the upcoming STIP reallocation later this year.

Climate Change Scenario Planning for Metropolitan Planning Organizations

Under Governor Brown's climate change executive order ([EO 20-04](#)), ODOT and the Department of Land Conservation and Development are directed to identify and implement means to provide financial and technical assistance to metropolitan planning organizations to use scenario plans to develop transportation and land use plans that meet state GHG reduction goals. ODOT anticipates this work will cost approximately \$12 million over a period of about six years. ODOT has set aside a portion of the Transportation and Growth Management program funds in the 2021-2024 STIP but needs to identify \$3.5 million in additional funding to cover the work through the end of the 2021-2024 STIP cycle. The remainder of funding will be included in the 2024-2027 STIP.

Interstate 5: Columbia River Bridge

The Interstate 5 Bridge over the Columbia River is a major bottleneck for all modes of transportation traveling across the river, as well as a significant seismic vulnerability. As directed by Governor Kate Brown and Governor Jay Inslee, ODOT and the Washington State Department of Transportation (WSDOT) have re-established replacing the bridge as a priority. The two states have hired a program administrator, developed a collaboration process with local partner agencies and selected a general engineering consultant. The Washington Legislature has dedicated \$35 million to the project. In August 2019 the Commission allocated \$9 million from Oregon's federal redistribution funds to the project as ODOT's initial contribution. In order to complete Preliminary Engineering, ODOT will need to increase its funding to a level commensurate with WSDOT's contribution. ODOT recommends \$4 million in redistribution funding for the Interstate Bridge Replacement Program as Oregon's next contribution to the project.

Recommended Action

ODOT recommends allocating FFY 2020 redistribution funds in the following manner:

- *\$3.5 million for MPO scenario planning.*
- *\$4 million for the Interstate Bridge Replacement Program.*
- *Remaining funding to go to ADA curb ramps.*

Meeting Other Needs

ODOT will seek to address needs that are not met in this round of redistribution funding in the upcoming 2021-2024 STIP reallocation that will take place in Fall of 2020 after the agency has greater certainty about congressional action on reauthorization of the FAST Act and the October State Highway Fund revenue forecast has been completed. These needs include, but are not necessarily limited to:

- *Bridge rating and strengthening.*
- *Americans with Disabilities Act curb ramps.*
- *Tolling.*
- *Interstate Bridge Replacement Program.*

Presentation:

ODOT Assistant Director for Revenue, Finance and Compliance Travis Brouwer, ODOT Statewide Investments Management Section Manager Jeff Flowers, and ODOT Delivery and Operations Deputy Division Administrator Mac Lynde presented a [PowerPoint](#) and gave an overview of federal redistribution of Federal Fiscal Year 2020 federal funds, proposed investments and reallocation of the 2021-2024 Statewide Transportation Improvement Program (STIP).

Flowers gave an overview of the annual August redistribution of federal funds process. At the end of each fiscal year, Federal Highway Administration (FHWA) redistributes unused federal-aid highway program funding from a variety of sources. He noted Oregon has been very successful and has not missed the August redistribution of federal funds. Lynde noted one of the challenges with redistribution is the agency never knows how much funds they will get. ODOT includes an assumption of redistribution in the STIP allocation to ensure that Oregon is ready to obligate the funds to projects by the end of the fiscal year deadline of September 30. Additionally, he explained the department wanted to bring forward proposed investments that are beyond what the department has planned for in the STIP. Based on the urgency to allocate the FFY 2020 funds, ODOT has identified projects that meet three criteria: need for additional funding; ability to quickly obligate funding; and legislative, federal or gubernatorial direction to undertake the project. ODOT recommended allocating FFY 2020 redistribution funds in the following manner: \$3.5 million in metropolitan planning organization scenario planning; \$4 million in Interstate Bridge Replacement Program; and the remainder of redistribution funding in Americans with Disabilities Act (ADA) curb ramps.

Brouwer gave an overview of the upcoming actions in the 21-24 STIP reallocation. He reiterated the fact the commission always assumes reduction in federal funds when the surface transportation authorization act expires. He noted that's about a 10% reduction built into the STIP. He noted if Congress continues funding at the current level, there's additional unallocated funds that can be allocated. The current plan is for the agency to come back in October 2020 to have a conversation about shoring up the needs because things have changed since the commission provided initial direction back in 2017 on how to allocate the funds. Additionally, the agency will have another revenue forecast around the impacts of COVID-19 and recession, and more knowledge of what congressional action has been on revenue replacement/stimulus legislation and the long-term reauthorization. He noted the commission will have a larger conversation about how to reallocate funds in the STIP, both the unallocated and current funds in the STIP, to meet the critical needs through 2024 including, but not limited to, ADA curb ramps, bridge rating and strengthening, tolling implementation, and the Interstate Bridge Replacement Program.

Discussion:

Commissioner Smith asked if the team has an estimate on what the remainder of redistribution funding would be for ADA curb ramp projects. Brouwer said based on discussions with FHWA the agency should receive a similar amount of redistribution funds they've received in the past, about

\$20 million with a remainder of roughly \$12.5 million for ADA curb ramp projects. Chair Van Brocklin asked what the cost is to complete the ADA curb ramp projects. Lynde said the current estimate is roughly around \$100 million in additional investment.

Commissioner Callery asked if the department is aware of any negotiated agreements regarding the ADA Settlement in any of the Oregon cities or counties. Lynde affirmed and said the city of Bend was one of the first to enter into an ADA settlement agreement. City of Portland has recently entered into an agreement. Lynde noted the department is aware of litigations and other investments happening across the state to improve cities' ADA curb ramps.

Vice Chair Simpson asked how the department is prioritizing the ADA curb ramp projects. Lynde noted the department has taken the "shotgun approach" to make sure there were improvements happening across all five regions, which would help build capacity internally as well as externally with the contractors and to determine what is going to work best. He noted the department generally starts in smaller communities because it gets more complex in the heavily urbanized areas. He noted there has been work done in the past couple of years and the data from those projects will be compiled to show the success rate and used as a tool for future projects. He noted there are roughly 16 projects going out to bid and within the next couple of years there will be more projects happening in the urbanized areas.

Commissioner Smith asked if there is a timeframe to complete the ADA curb ramps projects. Lynde affirmed and said the agency has 15 years to complete the projects from the date of the settlement agreement. He said the settlement agreement requires the agency to complete 40% of the ramps by 2022. By 2032 the agency has to be completed with all 26,000 ramps. He acknowledged the challenge the agency is facing in regards to ramping up that many projects in an efficient manner. Smith asked if the agency is on track with meeting the settlement agreement. Lynde said the plan is on track but funding required to execute the plan is an issue and that's some of the risk being added to the program.

Commissioner Brown asked if the agency can rely on Transportation Growth Management Program (TGM) funds for future projects and how will the agency sustain the MPO GHG scenario planning proposal. Brouwer noted in the last STIP cycle, the commission increased the amount of funding going in to the TGM program from \$4.25 million to \$5 million on an annual basis. The discussion with Department of Land Conservation and Development (DLCD) and ODOT found the funding for the MPO GHG scenario planning would use the \$3.5 million increment for the first few years and not take funding from rural areas that is used for important planning work. He noted that was seen only as a bridge to get the first increment of funding. Brouwer said they expect in the next STIP to build in the money we need from the scenario planning so we would not take funding from the TGM program.

Commissioner Callery expressed concern about the MPO GHG scenario planning and was concerned \$3.5 million may not be enough funding given the certainty that there appears to be a lot of climate change issues we're not aware of at this point. He noted he'd like to see it closer to \$5 million. Brouwer said there is no objection if the commission needs to increase the number, to provide an extra margin of error. He noted the scenario planning will take place over a longer period of time, given the natural update cycles of the MPO regional transportation plan, and suggested the

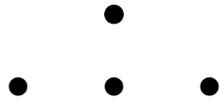
\$3.5 million is a solid number and if it's not, the agency will come back to the commission and request a STIP amendment to reallocate funding. Vice Chair Simpson asked what is an average ADA project value and what the employment count is going in to the average installation of an ADA ramp is. Lynde said they estimated around \$20,000 per ramp. Given the bid, it is closer to \$40,000 a ramp, and that's why the agency is bristling at the cost. He noted he would have to report back to the commission on the employment count but noted laying concrete is a laborious process. He noted the number the commission feels comfortable supporting in this redistribution towards the ADA curb ramp amount is not the final amount. It continues the agency's investments and allows us to continue moving further. Without a significant investment, we are in a place of slowing down and putting in jeopardy the ability to meet the ADA agreement.

Commissioner Smith asked why the agency chose the \$3.5 million for the MPO GHG scenario planning, and how fast can the agency execute and deliver on that funding. ODOT Climate Director Amanda Pietz said the scenario planning will support metropolitan work to achieve their greenhouse gas reduction target. That requirement will be set by DLCDD; it is doing the rulemaking process right now and intends to conclude in fall 2021. The agency doesn't anticipate that any area will start scenario planning work until early 2022. That's why the agency is asking for a little less right now with the idea of coming back if we need to.

Chair Van Brocklin acknowledged the needs in all areas and wants to fund them sufficiently. He understands the need to be sensitive to rural economy and funding out around the state, and the curb ramps provide that opportunity. He proposed the commission move forward with the proposed investments with the understanding that the agency may come back with modified amendments, so we're spending the money as efficiently as possible and taking into account new information. Commissioner Callery said he was comfortable with \$3.5 million for MPO GHG scenario planning given the additional information Lynde and Pietz provided.

Action:

Commissioner Callery moved and Commissioner Smith seconded to approve allocation of Federal-Aid Highway Program redistribution funds for Federal Fiscal Year 2020 in the following manner: \$3.5 million for Metropolitan Planning Organization Greenhouse Gas scenario planning; \$4 million for the Interstate Bridge Replacement Program; and remaining funding to go to ADA curb ramps. Commission members Van Brocklin, Simpson, Callery, Brown and Smith unanimously approved the motion.



***2024-2027 Statewide Transportation Improvement Program and Funding Overview
Agenda Item E***

The commission received a briefing on programs and funding in the Statewide Transportation Improvement Program and provided feedback and direction.

Background:

Through the end of the year ODOT will be working with the Commission on allocating state and federal funds in the Statewide Transportation Improvement Program (STIP) to further Oregon's goals. This discussion started in July with acceptance of the Commission's [2020 Investment](#)

Strategy, which laid out the gap between need and available funding and explained current investment strategies. Over the next four months the Commission will determine how to allocate discretionary funding across the six program categories set in July:

- *Fix-It*
- *Enhance Highway*
- *Safety*
- *Local Government*
- *Non-Highway*
- *Other Functions*

The STIP is made up of federal funds, which come in a number of program categories, as well as State Highway Fund resources in three primary categories: match for federal funds, projects allocated funding by name in HB 2017, and programs allocated funding in HB 2017. While some federal dollars are allocated to specific programs, the Commission has significant flexibility to use federal funding to address priority investments; this includes directing federal funds to transit programs and off-road bicycle and pedestrian trails that are not eligible for highway funding under the Oregon Constitution. On the other hand, the Commission has almost no discretion to direct State Highway Fund dollars to programs, as state law dictates the projects or programs to which these resources must be directed. However, even in programs where funding levels are set by Congress or the Legislature, the Commission generally has some level of authority to determine how to distribute the funding among recipients and can also provide guidance that directs funding to priority investments.

Local Government Programs

The Commission has traditionally funded a wide variety of local government programs that differ by funding source, eligibility, program requirements and project selection processes. Some of these—such as the Congestion Mitigation and Air Quality Improvement Program (CMAQ) or funds for metropolitan planning organizations—are required under federal law. Others—such as Surface Transportation Program (STP) funding for cities and counties and the Local Bridge Program-- have been created by the Commission through agreement with the Association of Oregon Counties and League of Oregon Cities. Still others—such as Transportation and Growth Management and the Immediate Opportunity Fund—have been created by the Commission to fund specific types of projects.

Non-Highway Programs

The Commission has funded programs for non-highway modes out of Federal Highway Administration (FHWA) funds—both those specifically directed to non-highway programs as well as flexible funds that can be used for these purposes—as well as State Highway Fund dollars directed to bicycle/pedestrian programs. Some programs are required under state law, including Safe Routes to School, and the 1% set-aside for bicycle/pedestrian projects, while others are required under federal law, such as Recreational Trails and the Transportation Alternatives Program. The Commission has traditionally transferred FHWA funds to public transportation investments in each STIP. Within the non-highway programs the Commission has significant discretion to direct funding to investment priorities, and the Commission also has the ability to redirect additional federal funds from other current uses to these programs. The non-highway programs funded in each STIP cycle typically shift based on investment priorities and changes in state and federal programs.

Input Requested

In order to develop initial funding scenarios for the Commission to consider, ODOT would like the Commission's feedback on a number of questions, including the following.

- *What specific program investment areas are Commission priorities?*
- *What are the relative priorities among the funding categories?*
- *What changes would you make to the allocation of funding in the 2021-2024 STIP?*

Presentation:

ODOT Assistant Director for Revenue, Finance and Compliance Travis Brouwer presented a [PowerPoint](#) and provided background on the Statewide Transportation Improvement Program (STIP) funding and program. He noted the group will shift to a discussion about how the state should allocate the funds among various programs. The STIP is a \$2.2 billion capital program so it's important to engage the commission and public on how the money should be spent. Brouwer said the overall process over the next several months will work through allocating all the money in the STIP. The agency is asking how the state should allocate funds among the various programs to meet the agency's goals. We will be asking the commission how much funding we should dedicate to non-highway and local programs, what is the appropriate funding level for highways and among the highway programs, and what would be the appropriate split between Fix-It, Safety and Enhance. Brouwer noted the commission has a lot of flexibility, discretion and authority to direct federal funds to priority investments. However, the flexibility doesn't end with the state highway. The particulars are directed by state law to specific categories and programs. It's important to note, even where Congress or legislature, federal or state law directs funding to specific programs, the commission still has some discretion to determine how funding is allocated among recipients and prioritize investment.

The total funding for the 2025-2027 STIP is about \$2.2 billion; a little over a third is state and the rest is federal. Given the uncertainty at the federal level, the agency is trying to program projects for seven years but aren't sure what funding will be. He noted holding that assumption flat is a proven risk mitigation approach to take. He noted the state funding is going up significantly and that's largely due to HB 2017. The largest portion of the state funding is the HB 2017 dollars, which is \$700 million including dedicated projects the legislature earmarked as well as formula funding programs. Brouwer said the 2024-2027 STIP will be somewhat smaller than the previous STIP. The amount of money going to the dedicated projects will already have the funding obligated in the 2021-2024 STIP. Over time and as the dedicated projects become operational, more money from HB 2017 will be going into the Fix-It programs that were directed by the legislature. He gave an overview of how funding comes in and is directed. There's significant flexibility to direct funding among the following five categories: Fix-It, Enhance Highway, Safety, Non-highway, Local Programs and Other functions. He gave an overview of the funding levels that went into the categories in the 2021-2024 STIP and noted the commission can use it as a starting place. He noted, investing more in one category or program requires investing less somewhere else.

ODOT Delivery and Operations Deputy Administrator Mac Lynde, ODOT Statewide Investments Management Section Manager Jeff Flowers and ODOT Public Transportation Division Administrator Karyn Criswell gave an overview of the program areas.

- **Fix-It** is the largest category, funded primarily by federal formula funds. HB 2017 provided funds intended to supplement OTC allocation of federal funds. Fix-It programs are operations, culverts, seismic, pavement and bridge. Lynde gave an overview of how much was invested in the 2021-2024 STIP for each Fix-It program.
- **Enhance Highway** projects are largely funded through legislative earmarks in HB 2017 and the Jobs and Transportation Act. The OTC dedicated \$24 million in federal funds in 2021-2024 STIP for Enhance Highway Leverage projects to add features to Fix-It projects.
- **All Roads Transportation Safety program** uses a data-driven approach to find the most cost-effective projects to reduce fatalities and serious injuries for all users on all public roads. HB 2017 added \$10 million/year for safety projects on state highways. Rail-Highway Crossing Safety is funded from federal, state and railroad funds.
- **Local Government Programs** provides funds to local partners, some from agreements and federal requirements that require the money in specific geographic locations throughout the state. The commission has traditionally funded a wide variety of local government programs that differ by funding source, eligibility, program requirements and project selection processes. Examples of programs under federal law are Congestion Mitigation and Air Quality Improvement Program (CMAQ) or funds for metropolitan planning organizations. Others such as Surface Transportation Program (STP) funding for cities and counties and the Local Bridge Program have been created by the commission through agreement with the Association of Oregon Counties and League of Oregon Cities.
- **Non-Highway Programs** are a combination of funds including directed and flexible Federal Highway Association (FHWA) funds and State Highway Fund dollars. The State Highway Fund can be used only within road right of way and the federal funds can be used both inside and outside right of way and on transit. The mandatory programs that fall under this category are Safe Routes to School infrastructure, 1% for Bicycle/Pedestrian, recreational trails, and transportation alternatives program. The commission has significant discretion to direct funding to investment priorities – and to redirect additional federal funds to these programs. The non-highway programs funded in each STIP cycle typically shift based on investment priorities and changes in state and federal programs. Criswell highlighted several projects and programs that fall under non-highway funding programs such as transportation options, mass transit, active, transportation leverage etc.

ODOT Policy, Data and Analysis Division Administrator Jerri Bohard gave an overview of the next steps and what the team has been doing, from a public input standpoint. She gave a preview of what the prototype will look like for the 2024-2027 STIP scenario development. Additionally, she gave an overview of what the scenario development was like in the past and noted there will be future discussion about the tradeoffs with regard to how much funding will go in to each funding category and the impacts of those tradeoffs. The following are principles for constructing scenarios:

- Follow direction in statewide plans
- Balance investments across categories.
- Follow Strategic Action Plan priorities and goals.
- Take public input into account.
- Meet federal and state requirements.

Discussion:

The group posed three questions to the commission:

1. What specific program investment areas are commission priorities?
2. What are the relative priorities among the funding categories?
3. What changes would you make to the allocation of funding in the 2021-2024 STIP?

Chair Van Brocklin acknowledged the commission had limited time on the agenda and noted there will be several opportunities to discuss this as they work through the 2024-2027 STIP. He asked the commission for their initial impressions on the three questions.

Commissioner Callery said he thought the most important program investments the commission needs to make are, in the following order: Fix-It, Safety, followed by Enhanced Highway. He stated the system is in decline and that's because the agency has made the needed investments to keep it fully functional. Vice Chair Simpson affirmed Callery's comments and noted there needs to be more emphasis on Enhance in the urban communities. He acknowledged he wasn't sure how to balance that out given the agency's budgetary constraints and uncertainty at the federal level. He stated Safety and Fix-It will be vital, but Enhance will be very important in connecting populated communities with other public agencies in a way that minimizes dependence on utilizing the highway system. He noted he didn't want to undermine the importance of the system in other communities around the state and the significance of maintaining the system as it is just because there is uncertainty around the future of the agency's well-being.

Commissioner Smith said the priority needs to be Fix-It. She noted enhancement needs to be low on the list because of the limited funding and that the agency needs to preserve the infrastructure. She acknowledged the agency has a priority to complete the ADA curb ramp settlement and if the agency gets extra money it needs to be spent on that.

Commissioner Brown said the priority needs to be Safety and Fix-It. She noted the Non-highway programs will address some of the greenhouse gas reduction goals. She admitted she wasn't sure how to balance the funding categories but noted the agency needs to take care of the highways.

Chair Van Brocklin said the agency has to make sure it is preserving the system and noted that was a common theme during the 2016 Vision Committee that traveled the state and asked what the key priorities were. He noted another leading comment was the need to address congestion in the Portland metropolitan region. He acknowledged the agency doesn't have the resources to get the work done. To get the resources the agency needs to re-establish its partnership with the federal government. He noted HB 2017 mandated the agency to toll segments along 1-5 and 1-205. The agency won't get more funding for investment programs from the legislature until a toll program is implemented. He echoed the commissioner's comments on the ADA settlement and greenhouse gas reduction. He noted the commission needs to spend a lot more time discussing funding options and how to allocate those funds.

Bohard asked the commissioners if they need additional information to make an effective decision or if individual briefings would be beneficial before the September meeting. Commissioner Callery agreed to an individual briefing. He commented the agency and commission needs to move forward with what Oregon is doing in regards to addressing climate change. He stated he wants to see Oregon move forward but it needs a coalition to address climate change. Vice Chair Simpson stated an individual briefing would be helpful. He noted it would be helpful to see what the investment

outcomes were in the 2018-2021 STIP. If the commission doesn't have the criteria, then they won't know whether we'll receive return on investment (ROI) we intend to get based on the SAP priorities.

Chair Van Brocklin asked if the commission could get an analysis of how the 2018-2021 STIP investments paid off and what the ROI was. Brouwer said there will be opportunities for the department to come back to the commission to discuss the success of investments. He noted the ROI may be harder to measure, especially comparing different projects and categories, but could talk about the performance measures to see where the agency is succeeding in the transportation system and its challenges.

Commissioner Brown expressed the need to communicate the challenges and barriers the agency is experiencing in regards to mandated funding to the congressional delegation. She echoed Commissioner Smith's comments regarding the ADA settlement and noted they need to move forward with tolling so they can meet the state's greenhouse gas requirements. She said an individual briefing would be helpful and will help her with future funding conversations.

Action: None taken.

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Delegations to Director for Connect Oregon Intermodal Project Agreements
Item F

The commission was requested to approve delegations of authority from the Oregon Transportation Commission (OTC) to the Director of the Oregon Department of Transportation (ODOT) for the Connect Oregon dedicated intermodal facility project agreements.

Background:

At the July 2019 OTC meeting, the Commissioners approved the project plans for the Treasure Valley Reload Center and the Mid-Willamette Valley Intermodal Center pursuant to House Bill 2017 (2017 Legislature). The approval was subject to the terms and conditions acceptable to ODOT and the OTC. At that time, the OTC retained oversight and approval authority for any changes to the agreements, including the approval of any milestone extension that exceeded 90 days beyond the original due date.

At the April 16, 2020 OTC meeting, the OTC amended the timelines for the project agreements as well as moved from three milestone groups to two. The amended milestone groups, descriptions and timelines for the Treasure Valley Reload Center and the Mid-Willamette Valley Intermodal Center project plans are listed in Attachments 1 and 2, respectively.

During the April meeting, Commissioners also made clear their desire to review the roles and responsibilities of the OTC and ODOT to ensure that the OTC has the ability to provide strategic vision and direction to ODOT and not be responsible for making programmatic decisions more appropriately made by ODOT.

In light of this direction, ODOT recommends that the OTC:

Recommended Actions:

- 1. Retain authority to authorize major funding decisions (defined as authorizing expenditures of \$5 million or more) for the two Connect Oregon dedicated intermodal facility projects. For these two projects, this would include the decisions to proceed to (a) land acquisition and (b) facility construction for the projects (as outlined in Attachments 1 and 2).*
- 2. Delegate authority to the ODOT Director to make all project decisions authorizing less than \$5 million for expenditures, including approving milestone extensions and other changes to the agreements but excluding land acquisition and facility construction. At the discretion of the ODOT Director, any proposed modifications to the project agreements within the parameters outlined by this action may be brought before the OTC if the Director determines that the proposed decision is of such significant political or operational importance that notifying and seeking OTC approval seems prudent.*

Attachments:

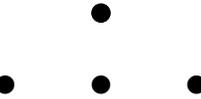
- *Attachment 1 – Connect Oregon Treasure Valley Reload Center Project Milestones*
- *Attachment 2 – Connect Oregon Mid-Willamette Valley Intermodal Center Project Milestones*

Presentation:

ODOT Assistant Director for Operations Cooper Brown gave an overview of the Connect Oregon dedicated intermodal facility project plans (Treasure Valley Reload Center Project and Mid-Willamette Valley Intermodal Center Project) the commission approved in July 2019. He noted the initial agreement back in July 2019 was for the commission to retain the oversight approval authority for all decisions moving forward for the project plan. Over the last few months there have been several conversations amongst the commission with the desire to remain at the strategic, visionary level rather than the operational and administrative functions that could be handled by the department. ODOT Policy Planning Manager Erik Havig noted the request for the commission is for the commission to delegate to the director the day-to-day operational decision making for the dedicated intermodal facility project agreements. For example, if there needs to be a modification to one of the areas in the milestones, it could be delegated to the director and the commission would review and approve the strategic level decision to move forward, or not. Havig noted at the discretion of the ODOT director, any proposed modifications to the project agreements within the parameters outlined in the requested action may be brought before the commission if the director determines that the proposed decision is of such significant political or operational importance that notifying and seeking commission approval seems prudent.

Action:

Commissioner Callery moved and Commissioner Brown seconded to approve to retain authority to authorize major funding decisions, of \$5 million or more, for the two Connect Oregon dedicated intermodal facility projects. And to delegate authority to the ODOT director to make all project decisions authorizing less than \$5 million for expenditures. Commission members Van Brocklin Simpson, Callery, Brown and Smith unanimously approved the motion.



Consent Items
Item G

1. *Approve the minutes of the July 15-16, 2020 commission meeting.*
2. *Confirm the next two commission meeting dates:*
 - a. *Thursday, September 17 virtual commission meeting.*
 - b. *Thursday, October 22 virtual commission meeting.*
3. *Approve the following Oregon Administrative Rules:*
 - a. *Adoption of 732-020-0050 relating to the Veterans Healthcare Transportation Grant Program.*
4. *Request approval of Resolution No. 322 authorizing issuance of Highway User Tax Revenue Bonds and confirming OTC Resolution No. 314 authorizing issuance of Highway User Tax Revenue Refunding Bonds.*
5. *Accept the new Statewide Transportation Improvement Program Amendment portion of the Quarterly Performance Report.*
6. *Endorse the draft Statewide Transportation Improvement Fund (STIF) process for implementation of a recent amendment to [ORS 184.751](#) that allows STIF formula recipients, including Qualified Entities (QE), to use STIF Formula funds to maintain existing public transportation services.*
7. *Request adoption of the 2020 update to the Oregon State Rail Plan, its findings of compliance and supporting materials.*
8. *Approve designation of a 0.2 mile section of Spinreel Road (U.S. 101 Frontage Road) from the U.S. 101 overpass to Mile Point 223.08 in Coos County as an All-Terrain Vehicle (ATV) Highway Access Route. In addition, approve designation of a 0.3 mile section of Spinreel Road (U.S. 101 Frontage Road) from Mile Point 223.08 to Airport Way in Coos County as an ATV Highway Access Route when the City of Lakeside has an ordinance allowing ATVs on Airport Way.*

Action:

Commissioner Smith moved and Commissioner Callery seconded to approve, en bloc, consent items 1-8. Commissioners Callery, Smith, Simpson, Brown and Chair Van Brocklin unanimously approved the motion.

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Toll Revenue Dedication
Item H

The commission received a briefing on the development of the actions, implications, and next steps for tolling in Oregon, including key milestones and decisions for the commission’s consideration. The commission was requested approval to keep toll revenues on the corridors from which they were collected.

Background:

With the authority granted in House Bill 2017 Section 120, the Oregon Transportation Commission (OTC) began work in 2017 to obtain federal approval to implement a congestion management program using congestion pricing on I-5 and I-205 in the Portland metro area. At the Commission’s direction, the Oregon Department of Transportation (ODOT) hired a consultant team to provide technical expertise and public involvement services, convene a Policy Advisory Committee (PAC) and undertake a Value Pricing Feasibility Analysis. Based on the results of the analysis, the OTC submitted an application to the Federal Highway Administration (FHWA) in December 2018 seeking approval to implement variable rate tolls on certain segments of I-5 and I-205 in the Portland metro area. The FHWA responded to the OTC by letter in January 2019. The letter provided a basis for ODOT to move into the next phase of work, along with subsequent consultation with FHWA representatives, review of federal policies and requirements, technical analysis and modeling, and additional environmental review and stakeholder engagement.

ODOT has engaged a consultant team to conduct more detailed traffic analysis and continued public involvement to advance the I-5 and I-205 toll projects. The application to the FHWA illustrated a two-year Planning & Environmental Linkage phase, followed by a two-year National Environmental Policy Act (NEPA) review process for both locations. In consultation with federal partners, the project team has developed a more refined timeline and project sequencing. In coordination with FHWA, ODOT initiated an Environmental Assessment under NEPA on I-205, with the objective of implementing tolls on I-205 by 2024. Concurrently, ODOT is refining alternatives for I-5 congestion management pricing prior to starting a NEPA process in 2021. Following December OTC approval, the I-205 and I-5 toll projects team successfully created an Equity and Mobility Advisory Committee and Draft Equity Framework.

Current Status

I-205 Toll Project Environmental Assessment: *All toll alternatives under study have a variable rate toll on all lanes of I-205 on or near the Abernethy Bridge between Stafford Road and OR 213. Tolls could both raise revenue for planned seismic upgrades and transportation improvements as well as manage congestion.*

ODOT examined several concepts for how tolling could be managed on I-205 prior to developing five initial alternatives and scoring each of them using screening criteria. The project team recommended two alternatives to move forward for further study, along with a “no toll” alternative.

The I-205 Toll Project is in a 45-day public comment period from August 3 through September 16, 2020. During this time, we are hosting an online engagement site, three webinars and community

discussion groups where the public and stakeholders can ask questions, offer feedback and learn about the project, including:

- Alternatives under study.
- Project purpose and need.
- How modern tolling systems work.
- The toll program's approach to equity.

I-5 Toll Project Planning and Environmental Linkages: ODOT will conduct initial alternatives analysis for congestion management through the use of pricing on I-5 through central Portland. The alternatives analysis will help to refine the tolling locations within the defined project limits that were identified during the feasibility analysis. Travel patterns under a tolled scenario will be analyzed to understand how other freeways and local roads in the project study area operate. ODOT anticipates completing this initial analysis by winter 2021. The results of this analysis will inform the starting timeframe, alternatives and NEPA classification for a future environmental review process.

Stakeholder Engagement: ODOT has conducted extensive stakeholder engagement to inform I-205 Toll Project Purpose and Need, alternatives and response to major concerns. This stakeholder engagement will continue for I-205 and I-5 through one-on-one meetings; council, board and committee briefings; updates at the Regional Partner Agency Staff Meeting, Region I Area Commission on Transportation and other policy groups; and continued collaboration with the staff-level Transit and Multi-Modal Working Group and Regional Modeling Group.

Public and Equitable Engagement: The I-205 NEPA and I-5 Planning and Environmental Linkages public engagement strategy includes three major elements to ensure OTC hears from diverse perspectives before making a decision on selected alternatives for I-205 and I-5, equity and mobility strategies and, in the future, toll policies and rates.

The three major elements include:

- ***Equity and Mobility Advisory Committee:*** This Committee began meeting monthly in May 2020 to prioritize equity and mobility in designing the I-205 and I-5 Toll Projects. Members are individuals with professional or lived experience in equity and mobility to advise the OTC and ODOT on how tolls on I-205 and I-5 freeways, in combination with other congestion management strategies, can include benefits for populations that have been historically and currently underrepresented or underserved by transportation projects.
- ***Equitable and intentional community engagement:*** ODOT is working with community engagement liaisons and community-based organizations to connect directly with historically and currently underserved and underrepresented populations using languages and engagement activities tailored to communities of color and to people experiencing low incomes. The goal is to elevate these voices early through personal engagement so the final projects are designed to benefit these communities.
- ***Public and community engagement:*** As the projects proceed, the project team will use a variety of online and in-person events to inform and hear from people who use and would be affected by a toll on I-205 or I-5. Planned activities include open houses, workshops, online engagement sites with surveys, webinars, presentations to local organizations, information tables and others.

What we've been hearing: *Between July 2017 and now, ODOT has heard consistent themes from stakeholders and the public throughout Multnomah, Washington, Clackamas and Clark counties:*

- *Tolls must be implemented equitably.*
- *Questions about operation and effectiveness of modern toll systems.*
- *The need for roadway and transportation system expansion.*
- *Tolls are not equitable across all income levels.*
- *Transit service along the I-205 corridor is not robust enough to afford residents of northwest Clackamas County another travel option as an alternative to driving.*
- *Tolls will create additional diversion into communities along the I-205 Corridor.*
- *How will local trips that use I-205 be treated.*
- *How and where toll revenue will be used.*

Next Steps:

Consistently people living on or near the I-205 and I-5 corridors ask whether toll revenue collected on these corridors should fund improvements in the corridor. This concern was prominent during the Value Pricing Feasibility Analysis and continues now as we engage with communities. Revenue staying within the corridor means other improvements, after paying for the currently planned seismic retrofit of the Abernethy Bridge and installing the third lane, can go toward other transportation needs along the corridor.

ODOT requests that the OTC:

- *Approve to keep toll revenues on the corridors from which they were collected.*

Presentation:

ODOT Toll Program Director Lucinda Broussard, ODOT Urban Mobility Office Director Brendan Finn, ODOT Urban Mobility Office Deputy Director Della Mosier, and WSP National Toll Practice Consultant Philip Miller presented a [PowerPoint](#) and gave an overview of the actions, implications and next steps for tolling in Oregon, including key milestones and decisions for the commission's consideration. Finn shared a draft map of the Portland Metro area congestion management projects. He note it reflects the department's ongoing work and direction from the commission to have a comprehensive regional mobility program that manages congestion. The map shows the programs are connected with other efforts around the region to create the management of congestion in urban mobility plan. He noted the map is a living document, meant to drive continued discussion on present conditions and future of the system.

Miller explained his experience in the toll industry, from legacy systems to the conversion of electronic systems. He noted there are many facets to tolls and gave an overview of what "tolls" are and stated there is not a standard for toll implementation; toll policies and rules are set at the state level. He gave an overview of best past practices and lessons learned. Broussard gave an overview of policy decisions and considerations for the Oregon toll program. She described the operating concepts, facilities concepts, contracts and technologies, and operational scenarios. She noted ODOT is one of the first agencies to implement an equity advisory committee. She gave a status update on the I-205 Toll Project Environmental Assessment and noted they just started the 45-day public comment period. During this time, the team is hosting online engagement sites, webinars and discussion groups where the public and stakeholders can ask questions, offer feedback and learn about the project. Miller gave an overview of the systems procurement and contracting approach; he noted external resourcing will be needed. He highlighted the public sector governance policy

services and the tolls program consultants and advisors and described the roles and responsibilities of each role. He noted it will be important for the commission and agency to identify and retain a financial advisory and legal advisor. Financial is necessary to walk through finances, management structures, market outlook etc. they can also serve as an auditor for management after go live. Additionally, the legal council will ensure that regulations are consistent with existing statutes or if anything changes, they will help the development of legislation. He noted there are two different types of system and service providers: roadside system and back-office. He gave an overview of the commonalities in both. All systems are based on “best-value” or blended scores – not just low-bid. Selection is based on:

1. Qualifications and references.
2. Proposed project management team.
3. Completeness of functional requirements compliance.
4. Proven technologies, but innovative approach.
5. Ability to modernize, to scale up, to economize operations.
6. Price – considering capital and operating cost over the operating life of the contract (typically minimum five years with options to extend).

Another policy decision the commission will need to consider is toll exemptions and discounts. Exemptions mean someone is exempt from paying a toll which means a permanent loss of toll revenue; once it’s granted it can rarely, if ever, be revoked. They will also need to consider equity and fairness. Alternatively, they will have to consider discounts which can change over time, can apply to many groups, and can be for early account sign-ups or other marketing initiatives.

Additionally, the commission will have to make decisions on finance policy and toll rate elements. These decisions will be based on financial goals and guidelines to set rates and traffic and revenue research and study. The commission will also have to make policy decisions on vehicle classification structure such as axle-based structure, height and articulation-based structure.

Broussard noted the customer is an integral piece for setting up a toll program and they will be putting the customer in the forefront in the recommendations that are brought to the commission for decisions. It’s paramount the program is seamless to the customer. She provided examples of select toll tags used in different states. She noted it will be important to consider what our neighboring states are using for toll tags to ensure the process is seamless and interoperable for the traveling public. The commission will have to make policy decisions on customer accounts. Customer accounts that are used in the toll industry are pre-paid accounts, license plate account, commercial/fleet account, temporary account and unregistered account. Additionally, she highlighted payment types that will help serve customers such as cash, checks, credit cards, mobile payments, and block chain. She noted the industry is considering not using cash to pay for tolls because it costs money to handle cash payments. This is something the commission will need to consider – whether the agency will accept cash or not. She touched on web presence and phone apps as a self-service for customers. Another policy decision forthcoming will be about interoperability and broad acceptance of tolls. She noted California is working on a network hub that would allow western states to pay for their toll accounts. Most importantly, the commission will need to set data policy such as what data will be collected, securing account holders’ personal data and credit card data, policies to keep data safe and making other data open to all. Miller gave an overview of who would be considered a “violate.” The elements of a violator maybe described as an account less

than or equal to \$0, no account or past due invoices. The commission would have to make enforcement policy decisions. A range of enforcement measures are available such as court actions, registration holds, traffic citations – tickets, range of penalties when a toll isn't paid and use of collection agencies. He gave an overview of toll industries that are using reciprocity systems. This system would address out-of-state violators who don't pay tolls. The reciprocity system requires agreements with participating states and toll operators. Broussard noted there will be future policy considerations and decisions the team didn't get to share today such as hours of operations on the road and high-occupancy vehicles (HOV).

Broussard noted tolls are still a major public concern and the team has consistently heard people living on or near the I-205 and I-5 corridors ask whether toll revenue collected on these corridors should fund improvements in the corridor. This concern was prominent during the Value Pricing Feasibility Analysis and continues now as the team engages with communities. Revenue staying within the corridor means other investments, after paying for the currently planned seismic retrofit of the Abernethy Bridge and installing the third lane, can go toward other transportation needs along the corridor. She said the team is requesting the commission approve keeping toll revenues on the corridors from which they were collected.

Discussion:

Commissioner Callery asked how the agency will prioritize emergency services for the bus on shoulder pilot projects. Strickler noted there are multiple safety criteria check points, and some of them involve who gets priority and when. Emergency services have priority. With a broken down vehicle, they have priority first because it is paramount to the safety of the facility. With a bus situation, there are professional transit drivers that are adept at switching in and out of lanes. Buses typically are not operating at speeds more than 15-20 mph than the traffic next to them.

Vice Chair Simpson asked how the team feels the community engagement stakeholder work is going. Broussard noted the team is having conversations about where the toll termini would start and stop on the interstate. There are a lot more questions than answers right now. She noted in her experience, no one wants a toll but when you implement it, no one wants you to take it away.

Commissioner Smith asked if Oregon is really the only state that has implemented an equity advisory committee to help set up tolls. Broussard affirmed and said other states are putting in measures for economic justice but aren't using an equity lens. The agency is stepping into new territory that will be challenging but doable. The commission acknowledged this is new territory and is interested in learning best practices from other DOTs. Miller noted there has been a lot to learn with the violation enforcement. Additionally, we can learn about finding the balance between charging enough in violation fees and fines to encourage compliance in payment but not to treat people who did not pay \$5 a fine, with an enormous amount on top of it. He added the emerging trend in contract approaches is to take advantage of the open market and leveraging commercial products. Broussard emphasized customers are paramount to what we do and treating them right is what makes a difference in a great program. ODOT Interstate Bridge Program Administrator Greg Johnson reinforced the Interstate 5 Bridge Replacement Project team is watching very closely what tolling on certain routes will do with the traffic load coming in and off the new bridge and how to make sure it's done seamless with the efforts going on.

Commissioner Callery asked if the requested action would conflict with the constitutional requirement. If the agency had revenue after all the debt service, reserve account and capital funds are paid off, could the remaining funds be used for corridor improvements? Brouwer said he'd have to look at the specific language of the constitutional restriction and case law. He noted tolls are included in the revenues that are restricted to highway purposes. He noted in a legal sense based on the agency's review and Supreme Court case law, tolls are in fact required to go into the state highway fund. However, the fund constitutional restriction allows for some uses of restricted funds within the highway right of way and for highway purposes.

Commissioner Smith asked if other states are using that same model, to keep toll revenues on the corridors from which they were collected. Broussard affirmed and said other states are doing it such as Washington and Georgia. Miller noted this issue comes up everywhere. Money paid is used in the general area where it's collected. Finn commented that when the governor did the statewide tour with legislators around the state, it was identified that the I-5 and I-205 corridors were of statewide significance. He noted the agency is trying to make an investment in the corridor to benefit the entire state. Vice Chair Simpson noted there needs to be more conversation that goes into this request before the commission and isn't sure if the revenue collected on the corridors stay within that corridor is efficient for the entire system.

After much deliberation the commission asked the team to bring back the requested action at the September 17, 2020 meeting for further consideration to understand if there are parameters and what it will look like. Additionally they asked for an update on the Equity and Mobility Advisory Committee and where they stand on the requested action.

Action: None taken.

The commission took a ten minute break and reconvened at 2:10 p.m.

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Office of Social Equity Update
Item I

The commission received an overview and provided feedback on near-term actions the Office of Social Equity will take to make progress on ODOT's equity goals.

Background:

During the July 2020 OTC Meeting, the Commission recognized the magnitude of ODOT's equity challenges and highlighted the need for ODOT to break down the barriers to contracting experienced by certified Disadvantaged Business Enterprises, and especially Black contractors. The Commission requested that ODOT establish and commit to near term actions (i.e., within 30 days) to make progress on its equity goals while simultaneously working to complete a longer term 2021-2023 OTC/ODOT Strategic Action Plan. There is also a desire to better understand what equity challenges and resources look like at ODOT in the context of its operations and services.

Next Steps:

Per the Commission's request, the Office of Social Equity offers an update on equity challenges as well as ways to address them in the next quarter as the Strategic Action Plan is developed.

Presentation:

ODOT Assistant Director for Social Equity Nikotris Perkins gave an overview of what the team has done to address ODOT's equity challenges and the contracting barriers for certified Disadvantaged Business Enterprises and Black contractors. She noted in the last thirty days the team identified ways to break barriers and ways to put them into action immediately. She acknowledged some barriers won't be removed in thirty days. For example the small/ disadvantaged businesses are often sub consultants and have experienced long wait times between their service and the payments they receive. With the help of ODOT's Office of Civil Rights, procurement and others, they were able to figure out a way to allow for partial payment designated for sub payment and this will go into effect in October 2020. She noted the team needs to figure out how to communicate the option with the agency and contracts as well as train employees how the partial payment would work internally and externally. She noted the team is preparing for the future disparity study to ensure they have a better understanding on how to engage businesses and how to have a strong engagement strategy for businesses to increase diversity of the people who are interested in and have the ability to work with ODOT. She explained the office is recruiting ODOT employees to be equity partners who will assist in advancing the work around the Strategic Action Plan equity priorities and goals. Additionally, they will be directly engaged with identifying the metric for development and implementation of the equity strategies. She will be conducting trainings on discrimination, perspective shift, building community, restoring justice, language and helping people understand the impact of/ how to address harm in the work place and in our networking communities.

Discussion:

Chair Van Brocklin asked how the agency can gather better data to help the commission make good policies. Perkins said the agency has some data and there are systems we're looking at in terms of IT to collect better data. She acknowledged sometimes the agency wasn't always asking the right questions and we're looking at past practices to figure out what needs to change in order for programs and projects to be sustainable over time. Chair Van Brocklin noted the commission can help support that and to report back on that.

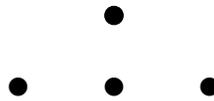
Commissioner Callery commented he hopes the equity and diversity conversations are taking place statewide rather than focusing only on the Portland metropolitan region. Perkins said everything is happening statewide. There's nothing that currently the office is doing just for the delivery and operations in Region 1. She said she has conducted virtual trainings over the last thirty days and was able to record all the trainings which than can be shared across the agency.

Vice Chair Simpson asked if there has been pushback on some of these efforts from colleagues or people around the community on these matters. He said the team should acknowledge there are places around the state that will not be welcoming on this topic. He asked Director Strickler to lead this effort and lock arms with Perkins in this effort if the commission and agency are going to pursue equity as a priority. He acknowledged there may be fear and discomfort in this topic and stated he commends the team on this effort and hopes they have the support internally and externally. Perkins said she has great support from ODOT leadership and across the agency but she also has experienced push back which allowed for open dialogue between staff to help them understand these efforts.

Director Strickler acknowledged when you start talking about the fear directly there might be biases in every conversation for the other party and maybe that's the part we have not talked enough about. He noted this is a personal and professional disposition and doesn't plan to give up on this effort because as the agency thinks about the next steps for ourselves as a state transportation provider, we need to understand who we're serving and that includes people we serve alongside with. He said Perkins and he are working on how to balance the work but ensure she is getting the support she needs to conduct and implement this effort.

Chair Van Brocklin said it would be worth exploring what other best practices are, so the team can incorporate that into the work that's being done. Director Strickler affirmed and said the agency is blazing new ground, with talent we were able to secure from elsewhere.

Action: None taken.



***Review Strategic Action Plan communication tools and Key Messaging Framework
Item J***

The commission engaged in a discussion about the communication needs and ongoing efforts to inform the public, external stakeholders and partners, and state and local leaders about the work of the agency and the priorities and goals of the Strategic Action Plan. Review Strategic Action Plan communications templates and Strategic Action Plan Key Messaging Framework.

Background:

Clear, consistent and proactive communication with the public, key stakeholders and ODOT staff is critical to creating awareness, fostering partnership and making progress on the goals and outcomes defined in the OTC/ODOT Strategic Action Plan. As discussed during the July 2020 meeting of the Oregon Transportation Commission, efforts are underway to develop a key messaging framework, Strategic Action Plan communication tools and an overarching Strategic Action Plan communications plan. The intent of this discussion is to review draft communications templates and the draft Key Messaging Framework.

Presentation:

ODOT Assistant Director for Government and External Relations Lindsay Baker presented a [PowerPoint](#) and gave an overview of communication needs and ongoing efforts to inform the public, external stakeholders and partners, and state and local leaders about the work of the agency and the priorities and goals of the Strategic Action Plan (SAP). She noted efforts are underway to develop a key messaging framework, SAP communication tools and an overarching SAP communications plan. She shared communication templates and messaging framework other Department of Transportations (DOTs) are doing for their strategic planning.

Baker was unable to share the key messages during this presentation and recommended to defer the balance of the conversation to a later meeting.

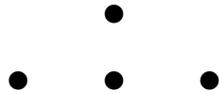
Discussion:

Commissioner Smith commented the 21-23 SAP one pager doesn't need two green colors, unless there was a reason for it. Baker noted there was no particular reason and the change can be made. Commissioner Callery suggested moving the climate goal before the engagement goal under the Equity priority. Commissioner Brown commented climate doesn't currently have a funding stream and the language around that goal can be defined differently, including the funding or climate change initiatives. Baker noted the content and tools are evolving simultaneously but everything together is intentional, proactive promotion of the body of the work as a whole. Director Strickler noted the agency is going to find elements of the actions that are similar within each of the priority areas, e.g. climate.

Commissioner Callery suggested starting with a narrative but give an opportunity to drill down into data. Additionally, it should be between static and dynamic. He noted he wasn't sure how interactive it should be and thinks there should be some level but not to the point where the user loses themselves in the interactive tools. He favors a closed system. Commissioner Brown noted she likes being able to click on something and get more data. She noted she favors a closed system. Commissioner Smith liked the Washington State DOT because it was simple and not overwhelming. She likes the idea of having an interactive website and having the ability to explore but favors a closed system. Vice Chair Simpson echoed the commissioner's comments and noted the internal facing should be data driven. He asked what the linkage is between the agency's external communication and strategy. Baker noted the dashboard is a tool and not the story or the thing that will carry the story. She noted getting external support will help figure out how to better tell the story and leverage the opportunities. She noted there will be a discussion in September about what the plan looks like and the implementation of execution of the actual strategic communication plan. Van Brocklin echoed the commissioner's comments and noted it's important everything lines up and is consistent so individuals who are interested or engaged, understand the information and narrative being shared.

The commissioners were comfortable to defer the remaining parts of the presentation to the next meeting.

Action: None taken.



Chair Van Brocklin adjourned the meeting at 3:15 p.m.

Robert Van Brocklin, Chair	Alando Simpson, Member
Julie Brown, Member	Sharon Smith, Member
Martin Callery, Member	Jess McGraw, OTC Chief of Staff