

OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
April 25, 2007
Monmouth**

On Wednesday, April 25, at 8:00 a.m., the OTC and Oregon Department of Transportation staff held a briefing session and reviewed the agenda in the Calapooia Room at Western Oregon University's Werner University Center, 345 N. Monmouth Avenue, Monmouth. The regular monthly meeting began at 9:30 a.m. in the Columbia Room.

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

Chair Stuart Foster	Communications Administrator Patrick Cooney
Commissioner Michael Nelson	Transp. Development Administrator Jerri Bohard
Commissioner Randy Papé	Field Services Manager Paul Mather
Commissioner Janice Wilson (via telephone)	Region 2 Manager Jeff Scheick
Director Matthew Garrett	Interim Region 3 Manager John Vial
Chief of Staff Joan Plank	Region 4 Manager Bob Bryant
Deputy Director for Highways Doug Tindall	Region 5 Manager Monte Grove
Deputy Director for Central Services Mike Marsh	Commission Assistant Kim Jordan

● ● ●

Chair Foster called the meeting to order at 9:55 a.m.

● ● ●

Director's report highlights:

ODOT received the Advancing Government Accountability's (AGA) prestigious *Certificate of Achievement in Service Efforts and Accomplishments Reporting*. The *Certificate of Excellence* was established to improve performance reporting by state and local governments and to publicly recognize outstanding performance reports. It is based on the Governmental Accounting Standards Board's (GASB) suggested criteria for reporting performance information, and recognizes those reports that meet the GASB suggested criteria. Attainment of the certificate represents a significant accomplishment by a state or local government entity and its management.

ODOT's Chief Information Officer, Ben Berry, was named the Public Sector Information Technology Executive of the Year by the Oregon Chapter of the Society of Information Management. Ben's work has been critical to ODOT's mission accomplishment. Among the efforts for which Ben was selected for this recognition were his customer support in the fielding of Blackberry systems, TripCheck expansion, and use of open source software. Ben serves as chair of the state's Computing and Network

Infrastructure Consolidation steering committee, and the state's CIO Council. ODOT is very fortunate to have a leader and administrator of Ben's caliber, particularly in the highly changeable and technological field of information technology.

Director Garrett recognized Chief Engineer and Technical Services Manager Cathy Nelson for 30 years of service with the Department of Transportation. She holds a bachelor degree in civil engineering from Oregon State University, and is a registered professional engineer. Cathy has made the agency better with its value engineering program, bridge area performance measures, and much more. Cathy has helped improve this organization to where it is today.



Commission member reports:

Commissioner Achterman was not present.

Commissioner Papé worked with members of the Oregon Business Plan on its initiative to increase funding for transportation. He met with the Central Oregon and Cascades West Area Commissions on Transportation, as well as the Freight Advisory Committee in continuing to assist the department with the update of the freight study.

Commissioner Nelson heard about the good work that Commissioner Papé and other OTC members have done for the Oregon Business Plan's transportation initiative. Many have noted Commissioner Papé's passion for his work.

Commissioner Wilson was not present.

Chair Foster noted that Commissioner Papé has been working relentlessly on the transportation funding package, as have been many people. Commissioner Nelson has done some significant work on it as well.



Region 5 Manager Monte Grove requested approval of a Type B Immediate Opportunity Fund grant in the amount of \$75,931 to fund the extension of Court Street to complete access improvements to the downtown area via the Leo Adler Memorial Parkway (City of Baker City). (*Background material in General Files, Salem.*)

Commissioner Nelson moved to approve this IOF grant request. The motion passed unanimously.



The Commission considered approval of Miscellaneous Resolution No. 308 and form of Second Supplemental Declaration related to (1) the issuance of Highway User Tax Revenue Bonds, Series 2007, authorizing the department to proceed with the issuance

of Oregon Transportation Investment Act I/II Bonds for modernization and preservation and OTIA III Bonds for modernization and bridge repair and replacement in an aggregate principal amount sufficient to produce net proceeds of not more than \$600,000,000; and (2) the issuance of Highway User Tax Revenue Refunding Bonds in a principal amount, if any, approved by the State Treasurer. (*Background material in General Files, Salem.*)

Mike Marsh introduced ODOT's new Debt and Investment Manager Anthony Buckley. ODOT is authorized \$500 million for OTIA I and II. The agency has issued \$345 million. It will issue \$155 million in the issuance in May 2007 to complete OTIA I and II.

For OTIA III, the agency is authorized at \$1.9 billion. It has issued \$600 million. ODOT has \$1.3 billion remaining, and will issue \$375 million in the issuance in May 2007.

Overall, the agency will issue \$530 million. This is more than past issuances because of much more positive interest rates.

Mr. Buckley said that the proposed issuance is structured to achieve approximately \$530 million in net proceeds based on current market conditions. ODOT may also have an opportunity to refund approximately \$204 million in outstanding debt. The resulting size of this issuance could potentially be valued at \$731 million.

The issuance, as it stands now, will allocate \$155 million to OTIA I and II, completing the funding for those programs. The remaining proceeds of about \$375 million will go to the OTIA III program.

The advance refunding in the amount of \$204 million that ODOT is contemplating will produce a savings of about \$8.6 million for the agency.

As noted by Mr. Marsh, the size of this issuance is larger than originally planned. ODOT's decision to accelerate or increase the size of this issue is based on the current favorable market conditions. Rates are historically at an all time low. There is also a flat yield curve. The benefits include a lower cost to the agency, and good investment opportunities for the bond proceeds. The accelerated borrowing removes a substantial amount of interest rate risk further into the program. In addition, the OTIA III bonding program has traditionally issued debt on a reimbursement basis. At the time of this issuance, at least, if not more than, half of the proceeds will have been spent. Therefore, it reduces our arbitrage risk. ODOT has assurance that the amount remaining will be spent within the time allotted of 18 to 24 months.

Overall the revenue to debt ratio is healthy. They are projected to stay above 3.0 throughout the end of the program, and then rise as revenues are predicted to rise.

ODOT's ratings presentation was done last week. Fitch has endorsed the agency's AA rating. ODOT currently enjoys a AAA rating with Standard and Poores (not yet reaffirmed). With Moody's, the agency has a AA+ (not yet reaffirmed). The

presentations went well. Pricing will be available on May 15-16, 2007. The variable rate structure will be available on June 4. Closing date is June 7.

Commissioner Nelson moved to approve this request as stated above and described in the agenda materials. The motion passed unanimously.



Transportation Development Division Administrator Jerri Bohard requested approval to commit, in State Fiscal Year 2008, funding to the state's Metropolitan Planning Organizations. The total amount to be passed through to the MPOs is \$6,826,613. The State's share of this total is \$630,245. Ms. Bohard also requested authority to sign the necessary agreements for the disbursement of the above noted funds. (*Background material in General Files, Salem.*)

This request is done on an annual basis and follows discussion with the MPOs regarding their unified work programs. This discussion typically happens in February and includes discussions with the Federal Highway Administration and Federal Transit Administration.

Once the OTC approves the request each year, the MPO policy boards approve their work programs and the intergovernmental agreement associated with the disbursement.

It should be noted that under the new planning regulations approved by FHWA in February 2007, there is a requirement that the MPO, department of transportation and transit administration cooperatively determine their mutual responsibilities in carrying out MPO planning processes. This additional work will need to be done.

This request also requires an accompanying STIP amendment.

The Commission requested that ODOT communicate and work with the MPOs to meet mutual objectives and goals.

Ms. Bohard noted that the Transportation Planning Rule requires consistency with regional transportation plans and local transportation plans with the Oregon Transportation Plan.

Chair Foster read into the record the following motion:

Whereas, the federal transportation reauthorization legislation *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users*, Section 450.314, was approved; and

Whereas, the law establishes the expectation that each transportation agency's roles and responsibility in carrying out metropolitan transportation planning processes be clearly identified in written agreements;

The OTC approves the MPO transportation planning funds for Fiscal Year 2008 with the stipulation that the roles and responsibilities between ODOT and the MPO shall be clearly defined prior to request for approval for Fiscal Year 2009 funds;

Further, the current Unified Planning Work Program shall be amended to include this commitment.

Commissioner Papé moved to approve this motion as read into the record by Chair Foster. The motion passed unanimously.

The Commission observed that Oregon is one of only three states that commit these funds. Approval of the above motion is consistent with the significance of that cooperation we have committed to with the MPOs.



Bob Bryant requested Authorization for the Highway Division Deputy Director to sign Cooperative Improvement Agreement No. 23174 between ODOT, The City of The Dalles, Wasco County and the private developer Icon West Developments, Inc. for highway improvements associated with the Lone Pine Village Planned Unit Development. (*Background material in General Files, Salem.*)

Since last summer, ODOT has worked with the city and the developer on traffic impact analysis and associated mitigation resulting from that land use change and have come up with improvements on Highway 197 across from Bret Clodfelter Way that includes a large roundabout at the intersection of Lone Pine and Highway 197. It is the developer's responsibility to design and pay for the construction of that improvement.

Commissioner Nelson moved to authorize the Highway Division Deputy Director to sign Cooperative Improvement Agreement No. 23174. The motion passed unanimously.



Region 4 Manager Bob Bryant requested authorization for the Highway Division Deputy Director to sign Intergovernmental Agreement No. 23886 between the Oregon Department of Transportation, City of The Dalles, and the private developer WM3, Inc., regarding a parcel of property adjacent to the Chenoweth Interchange at Interstate 84. One of the results of IGA approval is the withdrawal of ODOT's appeal with the Land Use Board of Appeals (once the required property covenants are recorded). (*Background material in General Files, Salem.*)

Commissioner Wilson participated by telephone during this item. Chair Foster declared a conflict of interest and abstained from voting on this item.

In July 2006, the City of The Dalles approved a 67-acre zone change in an industrial area on the north end of The Dalles near the Chenoweth Interchange. ODOT requested

OTC approval to submit an appeal to the Land Use Board of Appeals, which was approved. Since then, ODOT has worked with the city and the developer on an agreement for which OTC approval is required. If approved, the agreement will enable ODOT to withdraw its appeal to LUBA.

Commissioner Papé moved to approve this item as stated above and in the agenda materials. The motion passed. Chair Foster did not vote.

There being no further items needing Commissioner Wilson's vote, the telephone call was terminated.



The Commission received a status report on the Right of Way property management system. (*Background material in General Files, Salem.*)

Right of Way Manager Dee Jones said that ODOT is one of the state's largest property owners. Accessing information about all the property ODOT owns was time consuming and outdated. With the new ODOT document management system, information about the property ODOT owns is a mouse-click away.

Not long ago, commissioners, elected officials and ODOT staff decided to review the inventory of ODOT property, identify surplus properties and sell or lease them. The dollars generated from every property the agency sells or leases would go back into the Highway Trust Fund. Also, the properties sold would go back on the local property tax rolls. Selling and leasing surplus properties creates development opportunities for commercial and residential purposes, which in turn creates jobs. It also generates millions of dollars in revenue for ODOT every year. However, there was no easy, efficient way to access needed information about ODOT-owned property. There was a manual system in place that did not serve our needs. ODOT's real estate records were in multiple locations, stored in multiple formats, sometimes complete, sometimes incomplete. An improved system to better manage agency real estate records was needed.

A steering committee was formed to developed the project scope and decide on which software to use. In May 2005, the project began with preparing the files for scanning. Actual scanning of every document began in January 2006. Indexing began in April 2006, and quality assurance began in October 2006. Roll-out of the finished project is happening now.

The project was expanded to include other department records, right of way maps, contractor plans and the agency's general files that contain a variety of agreements such as jurisdictional transfers. Staff is also working to get all agency files geographical information system referenced.

This effort is a first step in working toward the agency-wide initiative of asset management. An asset management approach allows an organization with large, valuable assets to collect and store data on everything it owns so that people have access to that data and can make pro-active, cost-efficient and effective decisions.

In moving forward, ODOT hopes to expand this project to automate business processes with e-forms, a "business process manager," an e-mail manager, etc., which will provide convenience to agency customers and accountability. We also want to bring other areas of the agency into the project, being careful about how projects are selected in order to get the most for the agency.

Ms. Jones recognized the good partnership and support from the agency information technology staff. She also formally recognized Senior Property Agent Mike Stone and Program Management Manager Mike Kirby for their outstanding work on the project.

The Commission commended Ms. Jones and her staff for their phenomenal work on this project. The Commission believes that members of the Legislative Assembly would be very interested to hear about this project.



Tom Lauer, Major Projects Branch Manager, and Marty Andersen, Senior Local Roadway Standards Engineer, provided the monthly status report on the *ConnectOregon* Program, Statewide Transportation Improvement Program, Oregon Transportation Investment Acts of 2001, 2002 and 2003, and the OTIA III State Bridge Delivery Program. (*Background material in General Files, Salem.*)

Mr. Lauer reported that the projects under the OTIA I/II program are nearly 80 percent open to traffic.

The OTIA III Modernization program is on schedule with nearly 60 percent of the projects in design. Approximately \$60 million of the \$500 million allocated to the program has been expended.

The OTIA III State Bridge Delivery program is on schedule with 161 bridges under design or construction, 57 bridges open to traffic, and 67 remaining to start.

ODOT continues to be successful in its environmental compliance. The agency has had very good response from its partner regulatory agencies.

The terms and conditions of the extension of the agency's three major oversight walks with Oregon Bridge Delivery Partners are in final negotiations.

Mr. Andersen noted that of the 43 approved *ConnectOregon* projects, agreements have been signed for 41 projects. Nearly all of the 41 projects are in the design or construction phases. One project does not yet have a signed agreement, however, Mr.

Andersen received word from the local partners, that it will be signed by the agencies on April 26. The program is on track to be delivered as scheduled.

In order to provide the Commission with the most current data, ODOT staff has distributed these reports to Commission members on the day of each Commission meeting. Members asked to receive the reports ahead of time, so they have time to review the information prior to each meeting.

The Commission acknowledged that department staff is doing an outstanding job on all these programs.



The Commission received a briefing on the recently released report – *The Cost of Highway Limitations and Traffic Delay to Oregon’s Economy*. (Background material in General Files, Salem.)

Steve Clark, President of the *Portland Tribune* and Community Newspapers, and with Commissioner Papé, co-chair of the Oregon Business Plan initiative on transportation, thanked OTC members for their contributions to the state and the transportation system. The transportation system is important to Oregon’s economy and livability.

This presentation focused on the importance of an entire transportation system in Oregon’s economy, livability, and the consequences of travel delay on both the economy and citizens’ quality of life. It also covered the current status of efforts to engage in earning legislative support of immediate increased transportation funding and further ways that the OTC, business community and Oregonians can work together to significantly, strategically and sustainably invest in Oregon’s transportation system.

About one year ago, Mr. Clark appeared before the Commission to talk about the cost of congestion in the Portland metropolitan area. Commission members wanted to understand more about the connectivity of Portland’s congestion and economic issues, with the rest of the state. The Oregon Business Council and Portland Business Alliance engaged in a statewide study of transportation delay.

The transportation initiative is one of the four top elements of the Oregon Business Plan. A steering group was formed and engaged in the study, and also committed to move forward an effort to invest in transportation, working with the 2007 Legislative Assembly, 2008 interim session, and Oregon’s federal delegation. The group has engaged in an aggressive legislative lobbying effort, community outreach effort and is gaining steam.

Marion Haynes, Government Relations Director and Associate General Counsel with Portland Business Alliance, said the study was designed to find out, from a business perspective, if it makes sense to invest in transportation, whether there is a business

case, and determine what its impact is on the economy, jobs and competitiveness. Three questions were asked:

1. What is the relationship between transportation and the state's economy?
2. What are the effects of transportation deficiencies on businesses?
3. What are the effects of transportation investment on the state's economy?

The study found that Oregon's geography, traded industries and jobs are directly linked to the transportation system. Businesses are feeling the effects of transportation system limitations, which reduce their competitiveness. If investment is made in the transportation system at the current rate, not keeping up with inflation, the state will face negative transportation-related economic impacts (traffic delay, rapid travel growth) in the near future. Additional investments in the transportation system would solve traffic delay, but would not reduce growth.

Mr. Clark briefed the Commission about the Oregon Business Plan's transportation initiative which is about public transparency and investment in outcomes from which the public will benefit. Regional transportation improvement plans, the OTIA programs and *ConnectOregon* are the essence of this plan, which asks for \$300 million to \$350 million in additional annual transportation system funding, to be divided 50 percent to the state, 30 percent to the counties and 20 percent to the cities. The funding would go toward preservation and maintenance, making the system work better (e.g., ramp metering, curb cuts, etc.), freight mobility and congestion relief.

The initiative asks the 2007 Legislature to:

- Require cities, counties and the state to report to the Oregon Legislature the outcomes of the investments of this new funding.
- With the monies provided to the cities and counties, provide for 25 percent of those funds to be put into a grant program designed to relieve congestion and improve freight mobility. (The OTC would serve as the evaluator of those investments.)
- Require a *minimal* investment in bonding.
- Provide for a phased approach:
 - In January 2008, increase the vehicle registration fees by \$25, a \$10 per title transaction fee increase, and increase the state gasoline tax by four cents
 - In January 2009, increase the gasoline tax another three cents
 - In January 2010, increase the gasoline tax another two cents
 - In January 2011, increase the gasoline tax another two cents

The House Transportation Committee will meet on Monday, April 30, 2007, at 3:00 p.m., to consider an increase in the gasoline tax and a registration fee increase. Mr. Clark urged the OTC to attend and also encourage members of the Area Commissions on Transportation to attend in support of this initiative.

Commissioner Papé thanked Mr. Clark and Ms. Haynes for their tireless work on behalf of the transportation needs and investments for the State of Oregon. This effort is breathing life into the Oregon Transportation Plan, which is critically important to the overall transportation future for the state. It also ties into Regional Transportation Plans, specifically the Portland metropolitan area RTP now under review by Metro.

Commissioner Papé believes the study and other efforts will win the public's hearts, minds and ultimately wallets, if we can provide them quality of life, jobs, safe and efficient transportation for their families, and goods and services to run their businesses. It is important to note that along with the state, counties and cities, many businesses also support this effort.

The Commission agreed that getting people to attend the upcoming House Transportation Committee meeting is critical to the success of the transportation initiative. The Commission is impressed with the progress so far.

Mr. Clark asked ODOT staff to help identify individuals from those communities where members of the House Transportation Committee reside and serve; focusing on mayors, county commissioners and ACT members, to invite them to participate in the House Transportation Committee meeting on April 30. The Commission agreed to do everything legally allowed.



The Commission considered a request to authorize an appeal to the Land Use Board of Appeals regarding the City of Boardman Post Acknowledgement Plan Amendment amending its zoning map for the southeast quadrant of the I-84/Main Street Interchange. *(Background material in General Files, Salem.)*

There being no request to testify by the City of Boardman or the developer, Chair Foster called for a motion. Commissioner Nelson moved to approve this request as stated above. The motion passed unanimously.



The next two meeting dates are:

- Wednesday May 23, 2007, in Salem.
- Thursday, June 21, 2007, in Salem.



The Commission considered approval of the following Consent Calendar items. *(Background material in General Files, Salem.)*

1. Approve the minutes of the March 21 and 22, 2007, Commission meeting in Salem.

2. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
3. Approve an amendment to the 2006-2009 STIP to add the U.S. 197: Burnham Avenue – 3rd Street (Maupin) project. This project is estimated to cost \$2,362,000.
4. Approve an amendment to the 2006-2009 STIP to add the Oregon 126: Walterville Canal Bridge New Rail Retrofit System project, in Lane County. This project is funded with savings attained through the Region 2 Financial Plan and is estimated to cost \$300,000.
5. Approve an amendment to the 2006-2009 STIP to cancel the Oregon 201: Airport Corner – Cairo Junction project, in Malheur County. This project is estimated to cost \$2,178,000.
6. Approve a request to seek legislative approval to apply for grant funds for several projects under the Federal Highway Administration’s *“Public Lands Highway Discretionary”* (PLHD) program, *“Transportation Community and System Preservation”* (TCSP) program, *“Truck Parking Facilities”* program, and *“Innovative Bridge Research and Deployment”* (IBRD) program.


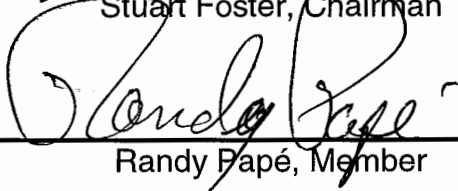
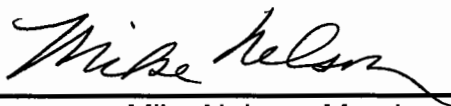

Project	Grantee	FHWA Program	Grant Request
Salmon Creek and Fraser Creek Fish Passage projects (Lincoln County)	U.S. Forest Service	PLHD	\$1,000,000 and \$500,000 respectively (total: \$1,500,000)
Sheldon-Hart Mountain National Wildlife Refuge Visitor Center (Lake County)	U.S. Fish and Wildlife Service	PLHD	\$745,000
Pacific University Health Care Professions Campus (Hillsboro)	Metro, City of Hillsboro, Pacific University	TCSP	\$2,000,000
West 11 th Transportation Corridor Study (Eugene)	City of Eugene	TCSP	\$500,000
Kah-Nee-Ta Landslide (Warm Springs Reservation)	Confederated Tribes of the Warm Springs	TCSP	\$600,000
Ashland Port of Entry Truck Parking and Santiam River Rest Area (I-5) ITS	ODOT	Truck Parking Facilities	\$434,000 and \$67,925 respectively (total: \$501,925)
Eugene Water Board Canal at Walterville (Oregon 126, McKenzie Highway)	ODOT	IBRD	\$1,000,000
Fiber Reinforced Polymer Repairs	ODOT	IBRD	\$250,000
Thurman Street (bridge) over Macleay Park (City of Portland)	City of Portland	IBRD	\$500,000

Commissioner Papé moved to approve the items on the Consent Calendar. The motion passed unanimously.

• • •

Chair Foster adjourned the meeting at 12:30 p.m.

• • •

 _____ Stuart Foster, Chairman	<i>Not present</i> _____ Gail Achterman, Member
 _____ Randy Papé, Member	 _____ Mike Nelson, Member
<i>Not present</i> _____ Janice Wilson, Member	 _____ Kim Jordan, Commission Assistant