

OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting May 13, 2008 Salem

On Tuesday, May 13, 2008, at 8:00 a.m., the OTC and Oregon Department of Transportation staff held a briefing session and reviewed the agenda in Room 135 of the Transportation Building, 355 Capitol Street NE, Salem. The regular monthly meeting began at 9:30 a.m. in Conference Room 122.

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 Gail Achterman
Vice Chair Michael Nelson
Commissioner Janice Wilson
Commissioner David Lohman
Director Matthew Garrett
Chief of Staff Joan Plank
Deputy Dir. Central Services Lorna Youngs
Deputy Director for Highways Doug Tindall
Trans. Development Admin. Jerri Bohard
Motor Carrier Div. Admin. Gregg Dal Ponte
Transportation Safety Admin. Troy Costales

Public Transit Administrator Michael Ward
Communications Div. Admin. Patrick Cooney
Rail Division Administrator Kelly Taylor
Governor's Sr. Trans. Advisor Chris Warner
Region 1 Manager Jason Tell
Interim Region 2 Manager Dee Jones
Region 3 Manager Paul Mather
Region 4 Manager Bob Bryant
Region 5 Manager Monte Grove
Commission Assistant Kim Jordan

May 13, 2008

Chair Achterman called the meeting to order at 8:45 a.m.

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Public comment was received from Carol Crockett on the proposed relocation of the way station one and a third miles from the Oregon/California border. The Conditional Use Permit submitted to the Curry County Planning Commission by ODOT was denied unanimously and is being appealed by the City of Brookings and ODOT for approval. The Curry County Planning Commission's findings of fact at the April 24, 2008, hearing shows that the proposal does not adequately protect the best interests of surrounding property holders or the county in general. Specifically, in regard to issues of safety, storm water runoff, and the ability of truck travel to negotiate the turnaround from the way station. In summary, the way station, at a cost of over one million, will block access to her farm and will only weigh trucks coming out of California, which would be considerably less because trucks don't travel north of Brookings. (*Background material in General Files, Salem.*)

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Senior Federal Affairs Advisor, Travis Brouwer requested approval of the proposed Commission Policy on Federal Reauthorization Highway Program Earmark Requests. *(Written comments and background material in General Files, Salem.)*

The policy on Federal Reauthorization Highway Program Earmark Requests went out for public comment in early February. A number of substantial changes were made to the policy as a result of comments received. The policy now provides a role for Metropolitan Planning Organizations to weigh in on priority projects, both with the Area Commissions on Transportation (ACTs) and with the Oregon Transportation Commission. In addition, it allows ACTs to include a separate list of priority transit projects. The modifications also allow local agencies to use federal earmarks as their expected local contribution if the project is fully funded.

Public comment was received from Washington County Commissioner, Laurence O'Dell. The Washington County Commission expressed concerns about the policy's impact on large projects, the application of existing earmark projects, and consistency with the Transportation Plan's investment criteria.

Travis noted that language in the policy has been changed that would address the first two of Mr. O'Dell's concerns. The commission was not inclined to change the language around the third concern because they are aware there is not enough funding in the system to deliver all the projects on the drawing board and from a policy standpoint, the goal is for earmarked dollars received to deliver projects already in construction.

Vice-Chair Nelson motioned to approve the policy with Commissioner Lohman's suggested changes to the language. 1) 1st bullet under "Earmark Request Criteria, page 2 – add the words 'or consistent with' after the words 'is included', to provide additional flexibility. 2) Remove the following language from the section on "Earmark Sponsor Roles and Responsibilities" at the bottom of page 2: *Except for funding already allocated in the STIP, the Department shall not make any advance commitment to allocate additional funds to provide matching funds or cover any shortfalls for earmarks received for projects not on the official Commission Earmark Requests List though these projects will be able to compete for funding within the normal STIP process.* Replace it with the wording: *When a project not on the Commission Earmark Requests List receives an earmark, the Department may provide additional funds for the project only in accordance with the Department's funding priorities and only to the extent funds are available after Commission approved earmark requests are fully funded and after other funding priorities have been met.* The motion was unanimously approved.



Travis Brouwer gave a presentation on federal affairs, including financial status of the federal Highway Trust Fund and activities leading up to reauthorization of SAFETEA-LU. *(Background material in General Files, Salem.)*

Funds in the Highway Trust Fund are nearly exhausted, future funding is in doubt and there is a sense among transportation officials and policy makers across the nation that the current program is not working. Many feel the next authorization is due for a radical change in the way the service transportation program operates and how we pay for that investment. Projections show a five billion shortfall in federal fiscal year 2009. Since SAFETEA-LU runs through 2009, revenue will not be sufficient to cover the funding guarantees that were included in SAFETEA-LU.

Without additional revenue, Oregon's Federal Highway funding will fall by about 60 million dollars per year from current levels. With this in mind, ODOT is moving forward with a reauthorization strategy that will focus on increasing the overall size of the funding pie by finding additional resources for service transportation and insuring that Oregon's share of that pie stays the same.

The commission noted the importance of this effort. Travis provided this update at the last Transportation Policy Group meeting and it was decided to have a workshop to talk about policy initiatives that Oregonians from all levels of government would like to see our congressional delegation address. In addition, our policy needs to articulate that our reauthorization strategy will be worked with our local government partners in developing this policy so that we speak with one voice as a state.



The commission received a presentation on the project selection results from the *ConnectOregon II* Final Review Committee. Transportation Development Administrator Jerri Bohard gave a brief overview and introduced Final Review Committee Chair, Pat Egan and Facilitator, Allison Kelley. (*Background material in General Files, Salem.*)

House Bill 2278 was passed by the 2007 legislature allowing for \$100 million in lottery-backed bonds for rail, marine, aviation and transit projects. Various rail, aviation and transit advisory committees conducted feasibility, completeness, modal and regional reviews to tier and prioritize the projects, concluding each review with a one-page summary of the rationale for placement of each of the projects. A final selection committee composed of members from the previous committees ranked the projects 1 through 70. The purpose of today's agenda item is to hear public comments on the list of recommended projects proposed for *ConnectOregon II* funding in anticipation of the commission considering approval of the list at the June OTC meeting.

Pat Egan discussed the process the Final Review Committee used to prioritize projects, and Allison Kelley talked about the agenda for this effort. The committee used a consensus building process that allowed the committee to identify issues that were a concern. One of the chief difficulties with this process was balancing the needs and priorities of modal committees and regional committees and the fact that direction was not consistent going forward because both committees were given different points of direction going in. However, by putting each group's needs and priorities side-by-side, they were able to see the similarities and reach unanimous agreement on the list to

bring to OTC. Another area that needed clearer communication was the treatment of small projects. Is there a separate set of criteria that could be applied to small projects?

Public comments were received from:

Janet Taylor, Mayor, City of Salem; Mike McLaran, Salem Chamber of Commerce; Steve Dickey, Salem/Keizer Transit: (Priority #9, Application #A20021 and Priority #25, Application #A20022 – City of Salem, McNary Field.) The \$2.6 million request for runway extension and the \$1.2 million for passenger terminal expansion is critical to leveraging federal funding, improving safety and efficiency, and reducing I-5 traffic. In addition, it would further economic and community development by allowing for marketing to corporate users as well as new air service.

Allen Pollock, General Manager, Salem/Keizer Transit: (Priority #23, Application #T20035 and Priority #34, Application #T20036 – Salem/Keizer Transit District). Mr. Pollock encouraged the commission to support the ranking provided by the final review committee.

Bill Bain, Mayor, City of Newport; Ron Larsen, Port of Astoria: (Priority #22, Application #A20030 – City of Newport, Port of Astoria). The request is critical to leveraging federal funding, providing access to fifty direct destinations, promoting economic activity, and providing support for the growing ocean research activities with OSU Marine Science Center and the cluster of federal and state agencies surrounding those activities. This project fills in a 400-mile gap of no air service, the largest unserved gap between Mexico and Canada.

Ron Larsen: (Priority #3, Application #M20042 – Port of Astoria). The Pier 2 face upgrade will provide more docking space for tugs and barges, improve safety for vessels and is vital for continued growth.

Jack Mills: (Priority #30, Application #R10004 – Mt. Hood Railroad). The request would fund repairs to flood damaged track that has stopped access to Parkdale at the end of the line which is essential to the local economy. He noted that the system could use tweaking in regard to smaller rural areas which seem to be squeezed out in the money flow.

Mike Morgan, City Administrator and Jason Hale, Mayor, City of Madras: (Priority #17, Application #A40075 – City of Madras). Mr. Hale said the grant will be a catalyst for economic development in central Oregon, and he encouraged the commission to adopt the final review committee's recommendations. Mr. Morgan noted that one of the important criteria is ODOT's willingness to proceed immediately with the projects, alleviating concerns that there might be a gap between when the committee makes approval and when the actual contracts are approved.

Kim Puzey, General Manager, Port of Umatilla: (Priority #43, Application #X50018 – Port of Umatilla). This project would provide an upland distribution center at the Port of

Umatilla. Earlier questions about the Port's readiness to proceed with the project have been satisfied after meetings with ODOT staff and Director Garrett by design changes made to expedite the project without compromising efficiency. This project supplements a *ConnectOregon I* phase project. The commission requested a supplemental write-up on the connection between *ConnectOregon I* and *ConnectOregon II* on this project.

Bruce Carswell: (Priority #1, Application #R10026 and Priority #6, Application #R20025 – Portland & Western Railroad (and additional short line railroad Priorities #12, 13, 15, 18, 24, 30). (*Written testimony provided; in General Files, Salem.*) The Oregon short-line rail network is fragile and this project is key to revitalizing the short-line system and meeting future challenges.

Toby VanAltvorst and Jeff Morris: (Priority #18, Application #R20051 and Priority #35, Application #R20052 – Albany and Eastern Railroad). This bridge rehabilitation and upgrade project would allow continued shipment by rail of 600 carloads of plywood per year. Failure of this railroad would force shipment of the loads by truck at an additional cost of \$1,000 each and result in an additional 2,000 trucks on the road for the 70-mile trip.

Chuck Carlson, CEO, Cascade Grain Products: (Priority #24, Application #R10016 – Port of St. Helens). This project would install a “Y” at Port Westward to realign locomotives to go out in the safest manner possible by giving the engineer the greatest visibility possible.

Mark Freeman, Port of Siuslaw: (Priority #42, Application #M20065 - Maple Street Landing and Transit Dock). The project is ready to go (correction to April comments that the project was not ready to proceed) to replace the 1966 floating transient dock used for commercial fishing, tourists and transient pleasure craft. The dock is in danger of sinking and currently is being supported by floats. The dock is vital to community economics now, and for the long-term future.

That completed the public testimony. The commission thanked those who took the time to provide comments today and noted that additional comments on the overall process and how it could be improved in the future, or additional comments or information on specific projects can be made until the June OTC meeting.

The commission discussed the procedure for reallocation should an approved project drop off. Rigorous adherence to the priority list might not work depending on the size of the project that drops off. A better approach might be to look at alternatives on a case-by-case basis.

Therefore, in preparation for the June OTC meeting, the commission requested that the approval motion include wording to the effect that any of the 30 approved projects that do not move forward will not automatically move funding to the 31st project on the list. These funds will be looked at on a case-by-case basis.

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Lorna Youngs, Central Services Deputy Director and Darrell Ficker, Budget Officer, provided information on the Oregon Department of Transportation's proposed 2009-2011 Agency Request Budget and proposed POPS (Policy/Program Option Packages). *(Background material in General Files, Salem.)*

POP #101 (Graduate Engineering & Technical Staff) is designed to build the technical staff base which is essential for ODOT to continue to be effective as an agency and deliver in the future. There is an understanding there will be rigorous examination and scrutiny of any package including requests for positions. ODOT has adhered to that discipline specific to this list of POPS. The two that don't adhere are in the Motor Carrier Division, and ODOT has justification and rationale we are prepared to argue. The commission agrees on the importance of this POP and will help draft the communication message about our vulnerability as an agency if this action is not taken. The commission suggested strengthening the POP by changing the title to something that will demonstrate in five words that we are not just requesting FTE, but that we are doing something essential.

The commission recognized that the overarching transportation funding initiative policy option packages are being handled out of the Governor's Office. Director Garrett responded that through our legislative concepts we have those placeholders, both for finance packages and as well as *ConnectOregon III*.

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Region 3 Manager, Paul Mather, and SWACT Chair, Jim McClellan, (Southwest Area Commission of Transportation) presented the Biennial Report of the Southwest Area Commission on Transportation. *(Background material in General Files, Salem.)*

Mr. McClellan said SWACT's strengths are that decisions are made based on what is best system-wide, not what's best for one county or one city. They are well connected to the trucking industry to keep up to date on truck and freight traffic. SWACT's main concerns are that they have three large projects that are not easily phased, the effects of the current railroad situation, and hard economic times. Many of the manufacturing and timber industries out of Coos Bay depend on rail for movement of their products.

Mr. McClellan noted that this is his third appearance before the OTC, and while some people avoid committees because they don't feel they are listened to, he feels we listen. Director Garrett said there are opportunities to ride circuit and there is an interest in getting to the southwest area and having a more robust conversation on its relationship with ODOT and what we can do better.

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Tom McClellan provided background information on the non-mandatory reporting program, including the criteria used to determine possible actions, who submits the

reports, and why reports are kept confidential. He gave examples of the different types of reports received by DMV. He requested approval for the amendment of Oregon Administrative Rule 735-076-0005 relating to the release of a non-mandatory reports submitted to Driver and Motor Vehicle Services Division. *(Background material in General Files, Salem.)*

Citizen Mr. Scott Rohter testified that Oregon should not allow residents to report on each other, but rather, the department should test elderly citizens on a more frequent basis. He noted that the information given the two times he was reported was vague. Commissioner Nelson asked Mr. Rohter to send him directly a complete copy of his information for review. Commissioner Wilson asked what other states do regarding reporting.

Commissioner Wilson moved to approve the Administrative Rule Amendment. The motion passed unanimously.



Deputy Director Doug Tindall brought for approval an amendment to the 2008-2011 STIP to comply with the \$70 million reduction to the Modernization program as determined by the Commission at its November 2007 meeting. *(Background material in General Files, Salem.)*

Background Information: In October of last year, the Commission directed ODOT to move to triage mode, meaning to focus on maintaining the existing system as much as we could because of funding issues, and reduce the modernization budget over the course of the 2008/2011 STIP by \$70 million. Two million was needed to bring the program back into balance so the ending program balance for 2011 would be zero dollars. The remaining \$68 million were split \$38 million to maintenance, \$30 million to bridges and \$8 million to operations over this four year period. The Commission directed that the \$8 million be competitively applied for, looking for new, non-traditional ways to keep traffic moving better and to minimize congestion in urban areas. A list of projects for those funds will be brought to the Commission later this year.

Mr. Tindall presented the list of projects that comprise the \$70 million and discussed maintenance and bridge allocations. The list was developed by regions working with their Area Commissions on Transportations, or similar bodies, to identify project reductions and represents projects that might be delayed, canceled or down-scoped.

Commissioner Wilson moved for approval. The motion passed unanimously.



Deputy Director Tindall requested approval of amendments to the 2008-2011 STIP to allocate funds approved by the commission at its November 2007 meeting to meet

maintenance and bridge needs. Specific projects are noted in the background material. *(Background material in General Files, Salem.)*

Motion 1: Maintenance needs in the amount of \$30 million to achieve the three basic goals of increased safety, keeping roads open, and reducing costs over the long term. Of this amount, the Emergency Board allocated \$13 million for the 2007-2009 biennium, and \$17 million for the 2009-2013 biennium. Increased fuel and anti-icing material costs combined with last winter's severe weather resulted in \$9 million greater expenditures than expected. The recommendation for this \$13 million is to apply \$9 million to winter maintenance to offset the cost incurred, \$2.5 million to offset **some** of the increased fuel costs and \$500,000 to surface repairs.

Commissioner Lohman moved for approval of this request. The motion was unanimously approved.

Motion 2: Bridge needs in the amount of \$30 million. The Commission had requested a look at criteria for addressing bridges on key highways, bridges that open up entire freight routes and bridges that address problems and have acute public interest, impact or economic benefits. A list of projects using these criteria will be brought to the Commission meeting in June.

Commissioner Wilson moved to postpone approval of this item to the June meeting. The motion was unanimously approved.



Deputy Director Tindall requested to the 2008-2011 Statewide Transportation Improvement Program in order to allocate \$18,100,000 in funding from Oregon's share of the additional federal bridge obligation limitation as contained in the 2008 Omnibus Bill. *(Background material in General Files, Salem.)*

These funds will be allocated to four projects (one existing project that will be moved from 2011 to 2010, and three new projects as noted in the background material). As with motion #2 above, a list of projects using the new criteria will be brought to the Commission meeting in June.

Commissioner Wilson moved to postpone approval of this item to the June meeting. The motion was unanimously approved.



Region 4 Manager, Bob Bryant and representatives Eric King, City Manager, City of Bend; Roger Lee, Economic Development for Central Oregon; Ron Garzini, Special Projects Manager, City of Bend; and Nick Arnis, Transportation Engineering Manager, City of Bend; gave an update on the U.S. 97: Bend North Corridor Project and the City of Bend's economic development goals associated with Juniper Ridge and the "mid-term solution" concept that has been proposed as interim mitigation.

Eric King said their purpose was to seek the Commission's permission to embark on a joint venture with ODOT that creates a funding strategy and plan for Highway 97 improvements in the north of Bend that would address congestion along Hwy 97 as well as remove a significant barrier to economic development in the region. Many of the previous controversies that surrounded Juniper Ridge have toned down in the last few months and they would like to come back in August with a more detailed presentation on the status of the Bend North Corridor Project.

Roger Lee discussed employment plans, specifically in Bend. Bend is a focal point for attracting new companies to the tri-county area. New industrial lands (Juniper Ridge) and adequate transportation are critical to attracting new companies. Bend has slipped off the top list of potential sites for new industry because of the transportation issues so it's urgent to solidify the North Corridor Project so future opportunities aren't missed.

Nick Arnis said Bend has undertaken a mid-term design for the intersection of Cooley Road and Hwy 97 and has been looking at what kind of transportation system is needed to relieve the state highway that would fit with ODOT's long-term improvements and how it would be funded. He suggested Bend enter into a long-term funding relationship with the state for the project, and to identify a mid-term project that both jointly agree has capacity, is an improvement to the system, and is in accord with the long-term plan. The reason for the expedited process is the urgency around lost opportunities in the high tech field because of transportation liabilities. Mr. Arnis requested the Commission authorize Bob Bryant to work with the City of Bend to develop an interim mid-term project to be brought back to the Commission in August.

The Commission noted that today's agenda item was informational only and nothing had been submitted for approval. The commission expressed its thanks for the information provided because it recognizes the importance of the Hwy 97 Corridor and this complex project, but noted there are many places in the state that are looking for money out of the same pot, and each one will have to be balanced within the STIP within the entire state. More detail is needed, particularly around the integration of a mid-term solution to assure there is no throw-away money and that any mid-term solution is an elemental tie-in to a long-term solution.

The commission also noted the need to examine the availability of affordable housing when considering employment opportunities and getting traffic off Hwy 97 and onto secondary roads. Does Bend have an integrated approach to bringing in new jobs that includes housing and transportation needs? How do we show restraint to not create the same problem the Portland metropolitan area has struggled with the past years? Additional information will be brought back to the August OTC meeting.



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

1. Approve the minutes of the April 22 and 23, 2008, commission meeting in Portland.
2. Confirm the next two Commission meeting dates.
 - Thursday and Friday, June 19 and 20, 2008, in Enterprise.
 - Wednesday, July 16, 2008, in Salem.
3. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.

4. Approve the following Oregon Administrative Rules:

a.	The amendment of OAR 731-005-0550 relating to bid and proposal security requirements.
b.	The amendment of OAR 731-005-0450, 734-010-0230 and 734-010-0260 relating to contractor prequalification.
c.	The amendment of OAR 734-074-0010, 734-082-0015 and 734-082-0040, variance permits relating to lift axles.

5. Approve redistribution of \$52,500 industrial rail spur funds to Hayes Farms Inc. in Lebanon, Oregon.
6. Approve an amendment to the 2008-2011 STIP to delay the Oregon 38: U.S. 101 to Central Oregon Pacific Railroad Crossing Access Management project in Douglas County to a year outside of the current STIP. The exact year is currently unknown and will be determined based on the results of discussions with CORP. The total estimated project cost is \$420,000.
7. Approve an increase in construction authorization in the amount of \$5,305,029 for additional work on the Oregon 99E: Martin Luther King Jr. Boulevard/Grand Overcrossing Union Pacific Railroad 02115 and 08905 Viaducts Project in Multnomah County. This will change the construction authorization from \$78,337,637 to \$83,642,665. This project is 27% complete.
8. Approve a request to appear before the June 2008 meeting of the Legislative Emergency Board to seek retroactive approval to apply for a Federal Highway Administration National Historic Covered Bridge Preservation program grant in the amount of \$3,730,719.
9. Approve a request to appear before the June 2008 meeting of the Legislative Emergency Board to seek retroactive approval to apply for a FHWA National Scenic Byway Discretionary Grant in the amount of \$2,344,396.
10. Approve a request to appear before the June 2008 meeting of the Legislative Emergency Board to apply for a Department of Homeland Security grant in the amount of \$3,094,056. This grant will help implement changes to the driver licensing

and identification card programs mandated by Senate Bill 1080 from the 2008 Legislature, which also meet provisions of the Federal Real ID Act of 2005.

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

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Vice Chair Nelson adjourned the meeting at 3:20.


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Gail Achterman, Chairman



Michael Nelson, Vice Chair




Janice Wilson, Member



Alan Brown, Member



David Lohman, Member



Roxanne Van Hess, Commission Support