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**OREGON TRANSPORTATION COMMISSION**

**Minutes of the Regular Monthly Meeting  
December 14, 2004  
Portland**

On Tuesday, December 14, the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held an agenda briefing session in Conference Room 344 of the ODOT Region 1 Headquarters Building located at 123 NW Flanders Street, Portland. The regular monthly meeting was held in the Public Meeting Rooms at the ODOT Region 1 Headquarters Building.

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	DMV Administrator Lorna Youngs
Commissioner Gail Achterman (absent)	Executive Officer for Highways John Jackley
Commissioner Mike Nelson	Rail Division Administrator Kelly Taylor
Commissioner Randy Papé	Motor Carrier Trans. Admin. Gregg Dal Ponte
Commissioner Janice Wilson	Public Transit Administrator Martin Loring
Director Bruce Warner	Transportation Safety Admin. Troy Costales
Acting Deputy Director Highways and Region 3 Manager Paul Mather	Region 1 Manager Matthew Garrett
Deputy Director Central Services Mike Marsh	Region 2 Manager Jeff Scheick
Communications Admin. Patrick Cooney	Region 4 Manager Bob Bryant
Trans. Development Admin. Craig Greenleaf	Region 5 Manager Monte Grove
Chief of Staff Lori Sundstrom	Chief Engineer/Tech. Serv. Mgr. Cathy Nelson
	Commission Secretary Jill Pearson

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Chair Foster called the meeting to order at 1:10 p.m.

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Director's report highlights:

- Director Warner welcomed Commissioner Janice Wilson, who took the position held by former Commission member John Russell.
- On November 18<sup>th</sup> Kelly Taylor and Director Warner appeared before the Emergency Board to report on a number of topics. Kelly reported on the Lewis and Clark excursion train operating expense and rail bond issuance costs.

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Director Warner reported on how ODOT is including the West Arterial Road in the larger planning efforts associated with the Columbia River Crossing and updated the Legislature on the costs of reorganizing and decentralizing the Highway Division. He also summarized the improvements ODOT has made in Access Management. The reports were well received.

- On December 1<sup>st</sup> Director Warner and Paul Mather updated the Joint Interim Committee on Transportation, Trade and Economic Development on the results of the OSU Cracked Bridge Study and the OTIA III diversity program and jobs creation.

The Secretary of State Auditor also appeared to report on the status of the audit of the OTIA III Bridge Program. They told the Committee that they expect to have their audit completed in March 2005.

- On December 2<sup>nd</sup> the Innovative Partnerships Program hosted a development industry workshop that was attended by over 50 of the largest companies in the country that are currently engaged in public private partnerships. Director Warner was very encouraged at the attendance and enthusiasm for the program.

ODOT released a Request for Information last August to gain information on the feasibility of a number of candidate projects. The agency received a lot of good information from the development community, and at the January 20 Commission meeting ODOT plans to bring the Commission a request to proceed to the predevelopment stage with several projects, including initial potential financing plans.

- Director Warner was pleased to announce that he selected ODOT's own Doug Tindall to replace John Rosenberger as the Deputy Director for the Highway Division. Doug is currently the State Highway Maintenance Engineer, a position he has held since 1997.

Doug has held a number of positions in his 27 years with ODOT, including Strategic Information Planning Manager, Highway Automation Section Manager, Transportation Analyst and Field Services Engineer.

Doug will start his new duties on January 3, 2005.

Director Warner thanked Commissioners Foster and Achterman for taking time out of their busy schedules to help him make this important decision and he expressed his gratitude to Region 3 Manager Paul Mather for filling in as Acting Highway Deputy.

Paul and his family live in Roseburg. Director Warner also thanked Paul's family for their patience and understanding while Paul spends most of his week in Salem.

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Director Warner looks forward to working with Doug in his new role.



Commission member reports:

Commissioner Achterman did not attend this meeting.

Commissioner Papé negotiated with Peace Health about the I-5 Beltline interchange project in Lane County. He participated in discussions on the regional transportation plan and other items at a Lane Metropolitan Policy Committee meeting. He attended the Oregon Business Council Leadership Summit. He thanked those who attended for participating in the summit. He thanked Commissioner Nelson for his role in leading the presentation on transportation. He also thanked Department staff for help in preparing the excellent presentation.

Commissioner Nelson attended a Southeast Area Commission on Transportation meeting in Burns, after which he toured the region with ODOT staff. He was proud and honored to represent ODOT at the Leadership Summit. He thanked Lori Sundstrom and Joan Plank for their help putting together the presentation. He met with members of the Land Conservation and Development Commission (LCDC), other OTC members, and ODOT and Department of Land Conservation and Development (DLCD) staff.

Commissioner Wilson reported no official activities because this was her first meeting. She looks forward to working with the Commission and ODOT staff.

Chair Foster attended the Subcommittee meetings on the Transportation Planning Rule to remediate and clarify issues that resulted from the Jaqua case. We are making substantial progress. A draft rule should be ready for public review in early January 2005. An amendment to Section 060 will be considered by LCDC in March 2005. Shortly thereafter, amendments to Sections 050 and 070 will be considered as well. He and Director Warner had dinner with the new chair of the Washington Transportation Commission, Dale Stedman. He was here to participate in the Joint Subcommittee between the Washington and Oregon Transportation Commissions regarding the I-5 Columbia River Crossing Project. Mr. Stedman is very knowledgeable and interested in this project. Chair Foster and Commissioner Papé attended a subcommittee this morning to receive updates on the type of facilities that will be considered for the Columbia River Crossing. As Commissioner Papé stated, negotiations are moving forward, which will resolve Peace Health issues. Commissioner Papé has done a great job on this.



Public comments were received from:

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- Commander Rosie Sizer, Portland Bureau of Police Southeast Precinct, thanked the Commission for its sponsorship and support in the Legislature for the appropriation of funds to be used by ODOT for transient deterrent caging.
- Dan McFarling encouraged the Commission to take seriously the need to make meaningful investments in Oregon's passenger and freight rail infrastructure.
- Sid Friedman (1000 Friends of Oregon), Marilyn Reeves (Friends of Yamhill County), Francis O'Brien (McMinnville resident) and Donald Alexander (resident of the eastern end of the proposed Newberg-Dundee bypass), were concerned that the passage of Measure 37 would raise further the cost to develop and construct the Newberg-Dundee bypass. The most important concern in Yamhill County is to improve traffic flow in Dundee. Ms. Reeves asked the Commission to impose a moratorium on future funding for planning, design and work on the bypass until after Measure 37 questions have been answered and after appeals have been finalized. However, improvements are needed in the Dundee area now.

Sid Friedman said that the Newberg-Dundee bypass must be protected from inappropriate development that will reduce capacity of the facility. Viable options would be for the state to plan to compensate property owners who file Measure 37 claims based on interchange protections, to purchase development rights, or to buy property around interchanges. He urged the Commission to have a supplemental Environmental Impact Statement prepared, which would consider the cost of those options.

Francis O'Brien requested the Commission to direct ODOT to take more time to evaluate the current proposed bypass route with respect to control of commercial development around interchanges and the destruction of low income family homes, farm land and environmentally sensitive areas.

Donald Alexander requested that funds be more wisely spent in finding a solution to the traffic bottleneck in Dundee (i.e., traffic signal and lane reduction).

- Christopher Lloyd (Seaside resident), recommended to the Commission that the scope of the Airport Road to Dooley Bridge project in Seaside be significantly reduced. (Written comments in General Files, Salem.)

The Commission requested a map of the area on which Mr. Lloyd commented.



Elizabeth O'Donoghue, Principle Officer with Corridor Strategy West, presented information about Amtrak's five-year strategic investment proposal. (Background material in General Files, Salem.)

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Over the next five years, Amtrak will continue to focus on stabilizing the railroad financially and improving the infrastructure. It continues to build the capital program as funding is available, continues to emphasize operating efficiencies through improved fleet utilization, service design efficiencies, labor productivity and investment in improved services.

During the next five years, the railroad will be reconstructed on the northeast corridor as well as places like Oregon. Risks include a lack of capital funding, required lead time for staffing and ordering materials is longer than anticipated, a major asset failure, further freight railroad network stress, security incidents, and economic slow-down.

After surveying states with passenger rail service, an evaluation of readiness was done. The standard criteria for developing corridor readiness included the need for long-term (about 20 years) and short-term (five years) master plans, a service plan that identified market forecast and operating expense forecast, an investment plan for infrastructure and equipment, host railroads sign off, and funding commitment for capital, and operating costs.

The state corridor initiatives need approximately \$60 million to accomplish the program. With that investment, the state would maintain a second daily round trip plus an additional round trip.

Amtrak proposes testing a federal capital matching program to advance the “ready to go” corridors with near term benefits. The proposal is to have an 80/20 split program. The states and/or Amtrak would submit project proposals for Department of Transportation (DOT) review. The Tier One corridors (those that meet all eight standard criteria for corridor readiness) would be eligible. Amtrak or the DOT would administer the program and would reassess each year for new Tier One corridors. As part of the budget, Amtrak would provide contract authority for the full near-term program in year one and then outlay funds annually.

Eighty percent of the cost of this proposal would be \$1.98 billion for five years to develop Tier One corridors.

Amtrak wants this to be a state program. It advocates that the federal government give the funds directly to the states.

To help the states, Amtrak proposes to allocate \$130 million of its capital program as seed money to start procurement for bi-level and single level equipment, working with about 10 states nationwide to develop a common specification/design. A Request for Proposal for equipment will then be posted.

On the freight rail side, the capacity is shrinking, but traffic is growing. The result is more traffic on fewer lines. Freight rail does not earn its cost of capital. There is no capital match for freight as there is for passenger rail. There is heavy congestion on the Union

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Pacific line that begins at the Oregon/Washington border and goes down through California.

Developing a capital matching program for critical rail network segments that were at risk for abandonment or so congested that there was a failure was difficult because it was hard to prioritize what was important. Amtrak concentrated on passenger (does it provide essential service, corridor connectivity), freight (will the investment provide needed capacity, preserve or improve service for local shippers) and general concerns (does it provide essential redundancy to ensure flexibility, cost effective).

Amtrak plans to continue to review and prioritize segments and work with the freight railroads to develop plans. Amtrak hopes that Congress will act on this proposal.

Governor Kulongoski supports Amtrak's efforts.

The Commission is committed to addressing rail issues. It is a major element of its mission.

The Commission would like to see what the five-year investment would be from the owners of the lines, as well as the state's investment, to better understand the public-private partnership.



Chair Ruth Bascom, Oregon Passenger Rail Advisory Council (OPRAC), led discussion on the importance of funding the *Cascades* trains for the 2005-2007 biennium, intercity rail, and levels of investment. (Background material in General Files, Salem.)

In the last 10 years in Oregon \$49 million has been put toward infrastructure, \$31 million was invested in tracks and signals, and \$14.5 million was invested in the railroad stations in Eugene, Salem, Albany and Portland. Ridership has increased by 200 percent.

There were three projects the Legislature supported in the last session if funding could be made available. One project underway is the Portland-Elvina double tracking. The other two equally as important projects are the double tracking in the Eugene area and the double tracking in Millersburg/Albany. Funding these high priority projects will make a big difference in how we run passenger trains in the valley.

Scott Meisner, OPRAC member and City Councilor in Eugene, and other members of OPRAC are pleased that the Governor's recommended budget for the next biennium proposes to maintain support for passenger rail operations at current levels. OPRAC and the City of Eugene welcome the Governor's Connect Oregon initiative which recognizes and seeks to capitalize equitably on all the vital modes of intercity transported people and goods.

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As the Commission and ODOT carry out the Governor's initiative, OPRAC hopes that the agency will recognize and remember that rail improvements are a necessary and highly cost effective element of a successful multimodal transportation system. Rail is an efficient means of connecting modes.

OPRAC and the City of Eugene hope that the Commission will look to groups such as OPRAC, local governments and rail users group for assistance and advice in its charge to select, prioritize and capitalize improvements necessary to improve safety, frequency, reliability and convenience for moving Oregon people and goods. Those partnerships will improve infrastructure capacity and will likely result in greater public and private leveraged investment that will further improve and help fund the systems.

Fred Nussbaum, OPRAC member representing the Association of Oregon Rail and Transit Advocates, presented the vision for the Portland-to-Eugene portion of the Cascadia Corridor as reflected in the 2001 Oregon Rail Plan, Oregon Rail Passenger Policy and Plan (1992) and the Oregon Transportation Plan (1992).

Key points in the vision for the Portland-to-Eugene portion of the Cascadia Corridor are to provide reliable, frequent and convenient service, travel times that are competitive with travel by car, and be a part of a seamless public transportation network. Outside the Cascadia rail corridor a seamless public transportation network is overseen by ODOT.

Many OPRAC members feel that ODOT needs to take a stronger role in providing intercity transportation.

Jonathan Hutchison, ODOT Rail Division, provided context around some challenges facing the state's intercity rail passenger program. There are three essential issues:

1. Oregon is facing an equipment shortage because service on the Eugene to Vancouver, B.C. corridor is provided by a finite number of train cars and locomotives (train sets). Those train sets are primarily owned by Washington State and Amtrak. Washington State continues to expand its intercity passenger rail service and will begin the next Portland to Seattle round trip in the summer of 2005 using the same number of train sets. That change will result in some minor schedule adjustments to trains operating south of Portland. Any service enhancements north of Portland will result in the State of Oregon losing access to at least one of the two Talgo train sets currently providing service in this state.
2. Any increases in service on existing or potential routes in Oregon will require additional investments on the operating side and on the capital side.
3. Expanding or inaugurating service on any route, including Portland to Eugene to a certain extent, requires a precise understanding of the equipment needs,

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desired schedules, related track and signal improvements and the associated impacts on our operational partners (host freight railroads, commuter railroads, etc.). Having a detailed understanding comes from highly sophisticated planning documents that the rail program does not currently have. Developing those documents takes time. However, it is prudent to begin investigations now during this period of constrained resources because those planning documents will help guide future decisions.

The Commission thanked the group for its presentation and for the sustained efforts of the OPRAC to bring service and continually improve service to the northwest.

Commissioner Wilson is the appointed member to the OPRAC and looks forward to working with the group.



Interim Highway Division Deputy Director Paul Mather and Alan Arceneaux, Manager of the Highway Finance Office, presented quarterly status reports on the Highway Division and project delivery. (Background material in General Files, Salem.)

ODOT intends to provide quarterly reports on executive level measures that the Commission can use to see if the Highway Division and project delivery program are on track.

Included in these initial reports are six key measures:

1. Are the projects completed and ready for use? – On Time
2. Are the projects finished within budget? – On Budget
3. Can I travel through the work zones in a reasonable time? – Mobility
4. How well is ODOT managing expectations of motorists and business? – Customer Satisfaction
5. Are the work zones safe? – Safety
6. How many jobs for Oregonians are sustained by highway construction projects? – Jobs

A Highway Division committee and a Performance Management Section have been established. ODOT is in the process of hiring a performance management consultant with expertise with department of transportation performance management systems. A firm should be on board by January 2005 to begin the process of designing a cost and performance management system for the Highway Division.

At future Commission meetings, the measures will be reviewed to determine if they are the key measures the Commission desires. Different measures may also be recommended by the consulting firm.



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Eventually, measures will be developed for an overall ODOT performance report as well.

The Commission thinks ODOT should set reasonably high expectations (targets). If targets are not met, the Commission wants a brief explanation why and what is being done to bring the target to the expected standard.

A question raised last legislative session was how projects are bundled. For the project delivery quarterly report, the Commission would like to see a measure of project bundle size.

The Commission suggested ODOT look at freight route completion timeframe. From a broad perspective, the Commission is concerned about how freight routes are getting opened more so than a specific bridge. The Legislature would also want to know when a specific freight route will be open to traffic.

The report should include what the economic impact has been to the State in relation to jobs.

The overview for the Highway Division report should include accomplishments for the quarter.



Paul Mather and Rail Division Administrator Kelly Taylor requested approval of a 2004-2007 Statewide Transportation Improvement Program (STIP) amendment for FFY 2005 to add Trans/Pacific Parkway (North Bay Marine Industrial Park) project in Coos County and to proceed with the use of funds from the OTIA III Modernization Industrial Access Program. Total Project cost is \$6,736,000. (Background material in General Files, Salem.)

Commissioner Nelson moved to approve this 2004-2007 STIP amendment. The motion passed unanimously.



Area Manager Art Anderson requested authorization of an appeal to the Land Use Board of Appeals (LUBA) of the decision by the City of Phoenix to change zoning to Highway Commercial/Interchange Business at the Fern Valley Interchange. (Background material in General Files, Salem.)

The Director of ODOT must seek approval by the Commission in order to file an appeal with LUBA. The applicant, ODOT and the local government have an opportunity to address the Commission regarding the appeal.

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Currently the northbound ramp terminals at the Fern Valley interchange have a volume to capacity (V/C) ratio of .91. The Oregon Highway Plan states that a V/C ratio of .85 is failure. The V/C ratio at the interchange would degrade further with any large scale commercial activity in the area without appropriate mitigation.

The applicant did not conduct a 20-year no-build baseline analysis to show failure of the system under normal growth circumstances. There is no way to compare what the system would look like without commercial development compared with a new commercial development in the area.

There is no current mitigation of the failing interchange due to added loading that a large scale commercial activity would produce in the area. In the approved 2004-2007 Statewide Transportation Improvement Program (STIP) there is approximately \$15 million to \$16 million to perform work on the west side of the southbound ramp terminals. A request is included in the 2006-2009 STIP now being developed for approval in 2005 recommending an additional \$20 million for that interchange. \$17 million would come from OTIA III modernization funds and \$3 million would come from a federal earmark under the Transportation Equity Act. If it were not approved, the situation would continue to fail with added loading.

Construction of large scale commercial development would further degrade the interchange. Case law interpreting the Transportation Planning Rule (TPR) shows that concurrency is a valid concern when considering development in some locations. The City of Phoenix has concurrency requirements built into its own comprehensive plan which talks to the issue of making sure the infrastructure is in place prior to expanding or developing activity that would hamper the infrastructure.

Public comments on this item were received from:

- Attorney Bill Kabeiseman, 121 SW Morrison Street in Portland, urged the Commission not to authorize ODOT to appeal to LUBA. (Written comments in General Files, Salem.)
- Bob Robertson, developer and owner of the property and applicant for the proposed zone change, asked the Commission for fairness and urged it not to approve the appeal to LUBA. (Written comments in General Files, Salem.)

Commissioner Papé moved to authorize ODOT to appeal to LUBA the decision by the City of Phoenix to change zoning to Highway Commercial/Interchange Business at the Fern Valley Interchange. The motion passed unanimously.



Jeff Scheick requested approval of an increase in project authorization of \$540,000 for the Oregon Coast Highway at Cannon Beach North Entrance on the Oregon Coast Highway. This increase will change the current project authorization from \$8,052,132 to \$8,592,132. This project is nearly complete; plant establishment and minor change

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order work remains. The OTC approved two previous requests to increase the project authorization. The first request for \$1,434,985 was approved 3/19/03 and the second request for \$550,000 was approved 10/21/04. (Background material in General Files, Salem.)

Commissioner Wilson moved to approve this increase in project authorization. The motion passed unanimously.



The Commission approved the next two meeting dates as:

- Thursday, January 20, 2005, in Salem.
- Wednesday, February 16, 2005, in Salem.



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

1. Approve the minutes of the November 17, 2004, Commission meeting in Salem.
2. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
3. Approve the following Oregon Administrative Rule (OAR) actions:

a.	Adoption, amendment and repeal of rules in OAR Chapter 732, Division 5, 10 and 20 relating to the Special Transportation Fund Program for the elderly and disabled.
b.	Adoption of OAR 734-071-0060 and amendment of OAR 734-071-0005, 0010 and 0030 relating to allowable vehicle lengths without need for a special variance permit.
c.	Amendment of OAR 740-00-0010, 0020 and 0040 relating to readoption of agreements.

4. Approval to appear at the January 2005 meeting of the Legislative Emergency Board to report on projects funded by the allocation of \$16 million to the Maintenance Program.
5. Approval to appear at the January 2005 meeting of the Legislative Emergency Board to present the second of two reports on implementation of the Oregon Innovative Partnerships Program (OIPP) in response to ORS 367.826 (Senate Bill 772 from the 2003 Legislative Session).

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6. Approval to appear at the January 2005 meeting of the Legislative Emergency Board to request an increase in the Bridge expenditure limitation and reduction in Local Government and Preservation limitations.
7. Approval to appear at the January 2005 meeting of the Legislative Emergency Board to request permission to apply for three Federal Highway Administration (FHWA) 2004 Scenic Byway Grants.
8. Approval to appear at the January 2005 meeting of the Legislative Emergency Board to request permission to apply for FHWA 2005 Scenic Byway Grants.
9. Approval to issue Highway User Tax Revenue Bonds Series 2005 to reimburse the Highway Fund for expenditures related to OTIA II projects; Approval to issue Refunding Bonds (Highway User Tax Revenue Refunding Bonds Series 2005); and Related Resolutions and Third Supplemental Master Declaration.
10. Approve the Annual Report of Financial Transactions of the Director for the Fiscal Year Ended June 30, 2004.

Commissioner Papé moved to approve the items on the December 13, 2004 revision of the Consent Calendar. The motion passed unanimously.



Public comment was received from:

- Rob Zako, 1000 Friends of Oregon, commented on public investments and return on those investments. It is very important to protect investments.



Chair Foster adjourned the meeting at 3:56 p.m.

<hr/> <b>Stuart Foster, Chairman</b>	<hr/> <b>Absent</b> <b>Gail Achterman, Member</b>
<hr/> <b>Randy Papé, Member</b>	<hr/> <b>Mike Nelson, Member</b>
<hr/> <b>Janice Wilson, Member</b>	<hr/> <b>Jill Pearson, Commission Secretary</b>