

OREGON TRANSPORTATION COMMISSION

Minutes of the Workshop and Regular Monthly Meetings October 18 and 19, 2005 Medford

On Tuesday, October 18, at 10:00 a.m., the Oregon Transportation Commission (OTC), and Oregon Department of Transportation (ODOT) staff held an annual workshop in the Siskiyou Room at the Red Lion Hotel in Medford. An OTC/ODOT staff dinner was held the evening of October 18 in the Rogue River Room. An OTC/ODOT staff breakfast was held the morning of October 19 in the same room.

On Wednesday, October 19, at 8:00 a.m., the OTC and ODOT staff held a briefing session and reviewed the OTC agenda in the Rogue River Room at the Red Lion Hotel. The regular monthly meeting was held in the Siskiyou 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
Commissioner Gail Achterman
Commissioner Randy Papé
Commissioner Mike Nelson
Commissioner Janice Wilson
Interim Director Lorna Youngs
Deputy Director for Highways Doug Tindall
Deputy Director for Central Services Mike Marsh
Chief of Staff Lori Sundstrom
Communications Administrator Patrick Cooney
Trans. Development Admin. Craig Greenleaf
Executive Officer for Highways John Jackley

Chief Engineer/Tech. Serv. Mgr. Cathy Nelson
Interim DMV Administrator Tom McClellan
Trans. Safety Administrator Troy Costales
Rail Division Administrator Kelly Taylor
Public Transit Administrator Martin Loring
Region 1 Manager Matthew Garrett
Region 2 Manager Jeff Scheick
Region 3 Manager Paul Mather
Interim Region 4 Manager Mark Usselman
Region 5 Manager Monte Grove
Commission Secretary Kim Jordan

Tuesday, October 18, 2005

Chair Foster called the workshop to order at 10:10 a.m.

#1 – STIP ALLOCATION RECOMMENDATIONS AND RELATED POLICY ISSUES

The Commission typically uses part of its annual workshop following legislative sessions to set broad parameters and direction for building Statewide Transportation Improvement Program (STIP) targets, setting funding allocations, providing direction for budget work, and articulating areas of program emphasis.

Background material provided to the Commission included recommended 2008 – 2011 STIP targets and 2006 – 2011 agency funding allocations; guiding principles used in the

development of its recommendation; emerging issues; major initiative funding proposals; financial assumptions; and next steps. (*Background material and PowerPoint presentation in General Files, Salem.*)

Interim Director Lorna Youngs explained the goal of discussing this topic with the Commission was not only to help the Commission set STIP targets for 2008 – 2011, but to also look at how, when doing that, the entire department is affected. To do that, staff would give the Commission a picture of what the entire department's needs are currently; opportunities the reauthorization bill provides for addressing these needs; and give the Commission an understanding of how setting the 2008 – 2011 STIP targets will affect future budgets.

Assuming federal reauthorization funds get allocated in Oregon over a five-year period, the department will have \$604 million in new funds. About 63% of that is earmarked for dedicated projects and the rest is available for distribution by the OTC. Staff presented a recommendation for Commission review proposing an 80/20 split of the remaining approximately \$212 million (specifically, 80% for highway purposes and 20% to deal with non-highway needs). The presentation provided a sense of the whole transportation funding picture between 2006 and 2011.

At this date, we assume that SAFETEA-LU funds will be delivered and projected the revenue according to our revenue projection models. If there is any change in the revenue stream, the Commission will have to revisit this.

Key Commission comments during the topic discussion focused on:

- Guiding principles – system management is important.
- Emerging issues – some critical things may not be listed.
- Division overviews – need to look at real property locations and credit card transaction fees.
- Looming issues – concerns focused on drainage facilities management; decline in highway and bridge conditions, especially after 2010; maximizing resources in Highway Division; Transportation Enhancement funding limitations.

Interim Director Youngs presented staff recommendations for non-highway needs, totaling \$42.5 million. The Commission summarized the following key points from this discussion:

- Merchant fee issue should be aggressively pursued;
- Packets should be provided with proposals identifying synergies that could be created by shifting some funds out of highway to other divisions;
- If we really are committed to finding additional funds for transit and rail in particular, we need to broaden the discussion and look for new approaches to create additional funding.

In response to Commission discussion concerning the 80/20 split mentioned earlier, Interim Director Youngs explained the split is not based on an arbitrary number. Any new funding from SAFETEA-LU would all go to highway and, any allocation to non-highway divisions would have to be a legislatively-approved process. The budget that is brought to the Commission arrives well after STIP allocations are made, so, the department still has to convince the legislature that not spending it all on the highway makes sense. By recommending an 80/20 split, it stays within the historic allocation trends and does not ask for something radically different.

Doug Tindall outlined the \$170 million recommendation for highway needs. Key points from this part of the discussion included:

- Need to review the 2011 projection, it shows no allocation of funds to address technology advancement and system integration improvement.
- Looking at the STIP, concern has been brought up before about spending a lot of money on salmon and getting very diminishing returns.
- Develop package to bring Transportation Enhancement funds back to previous levels. Include information on how important local contribution dollars are to local government.

The Commission generally agreed with the direction outlined in the staff recommendation. Given that, staff was directed to move forward and come back to the Commission in December for approval of the Draft 2008 – 2011 STIP program targets and confirmation of the 2006 – 2011 agency funding allocations. Staff was encouraged to continue to fine tune some aspects and that, if not now, then as time goes on, to look at alternatives to the traditional 80/20 split.

#2 – PROPOSED POLICY ON INFRASTRUCTURE COST SHARING

Craig Greenleaf presented information regarding an amendment to the 1999 Oregon Highway Plan. The amendment deals with contributions to major highway improvements recognizing the importance of these contributions and acknowledging current ODOT STIP criteria and practices in Highway Plan policy. (*Background material in General Files, Salem.*)

The Commission noted the background material presented the information very well. Their concerns and comments are noted below:

- Policy is flexible enough.
- Needs to be raised to a policy level in the Highway Plan.
- The percentage noted for US 97 @ Cooley Road should be changed to 20% instead of 2%.
- Have residual fish passage enhancement language instead of environmental enhancements; need to be consistent.

- Thinking about Transportation Plan revisions, and the language in Action 2A.6, if we are really meaning methods of value capture, we need to think about vocabulary before public review takes place.

#3 – TOLLING ISSUES

The tolling issues topic was presented by James Whitty, Office of Innovative Partnerships Manager; Art James, Office of Innovative Partnerships Project Manager; and Pamela Bailey Campbell, Carter & Burgess. (*Background material, Reference Manual and Issues List handout in General Files, Salem.*)

As additional background, in April 2005, staff presented an overview of tolling issues related to the Columbia River Crossing. Tolling has been raised as a potential source of revenue for the construction of potential public-private partnerships on other large projects. At the September 2005 meeting, the Commission further discussed tolling as a possible revenue source for other infrastructure needs.

Commissioner Achterman, discussion leader, advised the goal for this discussion was to provide Commission members with a tolling overview and get its feedback on issues and what concerns it might have.

Ms. Bailey Campbell provided information on the tolling issues white paper, which included a toll road overview; a variety of options for facilities and some of the issues on technologies. The white paper emphasizes electronic toll collection, because it has facilitated significant changes in tolling in the last few years and has presented some options that were not previously available. The paper also highlights a number of policy issues, focusing on how to integrate tolling into a planning process; and what type of issues are associated with communicating that information to the public and how to get feedback from them.

Commissioner Achterman opened the policy development discussion. Commission members' reactions to tolling on existing facilities capacity vs. new facilities were:

- Need to seriously consider tolling on both new and existing facilities.
- Community support is critical.

Commission members' reactions to revenue maximization vs. just paying for the facility:

- Want choices. Which one is appropriate will depend on a case-by-case basis.
- Prefer the term "capitol recovery" over "revenue maximization".

Ms. Bailey Campbell gave an overview on toll collection methods. Methods available are manual collection, automatic coin machines, and electronic toll collection. She explained that the newer facilities with electronic toll collection allow moving through at highway speeds. Inter-operability is another important issue for the Commission to consider. When moving into tolling, standards should be adopted so that all toll facilities

within the state can use the same collection method; and, structure the system so multiple accounts do not have to be set up. For example, if tolling the Columbia River Crossing, make sure there is technology compatibility between Oregon and Washington.

The Commission thought electronic toll collection was the way to go and agreed the system needs to be inter-operational.

Ms. Bailey Campbell shared information about actual toll facilities:

- Traditional, large toll facilities take a lot of land and have environmental impacts vs. open road tolling facilities, which require very little.
- High Occupancy Vehicle (HOV) lanes cause policy issues, such as non-registered car pools may require the need for enforcement zones.
- Cordoned tolling (paying a toll to simply cross a line).
- Network tolling (a network of facilities that are all connected, provides the ability to do travel demand management and opens up new opportunities).

Commission members commented on what type of toll facilities it would like to see in Oregon, what it would like to stay away from, and provided thoughts on the big issue of HOV toll lanes.

- HOV toll lanes may be applicable in Portland, but probably nowhere else in Oregon. On the other hand, given the controversy associated with them, even in Portland, the problems may outweigh the benefits.
- System aspects bear a lot of thought.
- Should consider an open-road tolling approach, as well as network tolling.

James Whitty and Ms. Bailey Campbell provided information on public communication and acceptance. They advised the only way to achieve acceptance of most toll facilities is to lay out a clear picture of why tolling is being considered, what the alternatives are, how soon the facility would be completed, and what it would look like.

James Whitty took the lead on the toll rate discussion, stating a lot of work has been done on this with the Road User Fee Task Force. Key points were that toll rates, and especially electronic tolling, can be done any number of ways, i.e., flat rate, per mile charge, discounts, time-of-day pricing, pricing on the condition of the road, and buying down toll rates.

Ms. Bailey Campbell added that when setting toll rates in an urban area, you should look at variable pricing in some form. That could be time-of-day pricing or it could be dynamic – it depends on the facility. Also, as we look at toll facilities, it is not just the actual time savings that makes a difference to people, it is the reliability of travel time that is almost as important to them.

Commission comments on toll rates were that some opposed discounting, but all were for value pricing.

The discussion then focused on integration of tolling into the planning process.

Commission member comments included:

- It is important, as the public-private partnership process moves forward, simultaneously with the STIP process, that we get more explicit about evaluating the ability to finance a facility with toll revenue as opposed to STIP revenue.
- Thought we were reactive, waiting to build some base of knowledge and experience.
- Why wait for someone to bring a toll road project to us? If it is a good toll road project, we should do it, keep the revenue, and put it back into the system. If/when a toll road decision comes before the Commission, it wants to see an analysis of what the net cost is of ODOT doing it vs. someone else doing it.

Ms. Bailey Campbell wrapped up with the last three topics: management administration, law enforcement and facility maintenance issues. She indicated the most important thing is to make sure the right legislation is in place for violation enforcement. Second, you need the ability to send a citation through the mail based on a digital image of the license plate. Third, you should have the ability to enforce consequences if the citation is not paid. And fourth, implement a privacy policy.

Andy Cotugno, Metro Planning Director, explained the tolling issue is a really big deal for the metro region because the whole freeway system is involved. Key points made:

- Need to undertake a system discussion with the metro region rather than a project discussion.
- The vendor has horsepower, and how we channel its attention into helping look at the whole system is important. Need to slow vendor down to help bring the network discussion along, not just the project discussion.
- Although very difficult and complicated, need to integrate the new revenue raising discussion with the toll raising package discussion.
- Metro believes the notion of tolling new capacity makes a lot of sense and they may need to rethink tolling existing capacity.

Mr. Cotugno concluded his testimony by saying there are many complicated issues; there needs to be a conversation with the public that is more complex than just a vendor talking about two specific projects (I-205 and the Sunrise Corridor). And, they cannot have that conversation from the metro region without ODOT and vice versa.

The Commission appreciated Mr. Cotugno's comments, agreed the topic was complex, and there needs to be a sophisticated dialog with all the appropriate participants and stakeholders about the challenges to achieve success in the foreseeable future.

Chair Foster adjourned the workshop at 4:40 p.m.



That evening an OTC/ODOT staff dinner was held in the Rogue River Room. OTC Chair Foster was recognized for his 10 years of dedicated, exceptional service to the Oregon Transportation Commission and ODOT Interim Director Youngs presented Chair Foster with a 10-year ODOT pin as a token of appreciation.



Wednesday, October 19, 2004

Chair Foster called the regular monthly meeting to order at 9:40 a.m.



Interim Director's Report highlights:

- In September, she attended the annual American Association of State Highway and Transportation Officials (AASHTO) Conference in Nashville. At that conference, Interim Director Youngs accepted AASHTO's "Best Program Award for Environmental Excellence" on behalf of the Oregon Department of Transportation. The Highway Division's Context Sensitive and Sustainable Solutions (CS³) Program was selected out of 75 applications from 33 states to receive this award. CS³ is the operating philosophy of the OTIA III bridge program.
- The Joint Transportation Subcommittee of the Oregon Transportation Commission and the Land Conservation and Development Commission recently completed the second phase of its work on the Transportation Planning Rule amendment.

The Department of Land Conservation and Development anticipates publishing the final Administrative Rule amendment language in November, holding a public hearing on the revisions on December 1 in Medford, and on February 2 in Salem.

The Department is pleased with the proposed revisions; they help clarify coordination expectations between metropolitan planning organizations and local governments; and we think they should end confusion about how projects are formally approved.

- The Oregon Department of Transportation recently received the new national safety belt use rates from the National Highway Traffic Safety Administration. The national rate reached its highest level ever, increasing from 80% in 2004 to 82% in 2005. Oregon's belt use of 93.3% ranks fifth in the nation, following Hawaii at 95.27%, Washington at 95.17%, Nevada at 94.8%, and Arizona at 94%.

We also have the results from the Oregon Occupant Protection Observation Study which looked at the use of proper restraints among all seating positions, including child seat/booster use and back seating by child passengers aged four and under. Our own study shows proper restraint, including seat belts at 96%, up from 94% in 2004. Positive increases were seen in all categories observed except for booster seat usage.

We attribute the decline of fatal or serious injuries in passenger cars to our safety belt usage.

- There is some important progress to report on our workforce development efforts designed to increase diversity in employment, boost apprenticeship participation, and provide more training resources and opportunities for highway construction careers. Our Portland metro area region is forming an active Regional Workforce Alliance designed to boost the numbers of minorities and women in highway construction trades.

We know that ODOT's highway and bridge construction projects will reach record levels in the next seven to ten years. At the same time, we realize that Oregon is facing a shortage of qualified highway workers at the apprentice and skilled journey levels.

ODOT's plan has three critical elements:

1. Increasing apprenticeship targets from the current 5% to 20% during the next 18 months.
2. Boosting participation in transportation construction projects in the Portland tri-county area to 14% employment for women and 20% for minority workers.
3. Taking steps to ensure that a qualified and diverse labor pool is ready to meet contractor needs for federal and state-funded transportation projects.

The Workforce Development Plan implementation is a two-year pilot project.

- The department is also in the process of recruiting for a new director. The candidates have been screened, and interviews will take place the week of October 24. If all goes well, a new director will be on board by the first of next year.



Commission member reports included the following information:

Commissioner Achterman continues her involvement with the Oregon Transportation Plan Update. The final meeting of the Steering Committee with the Policy Committee was held on October 3. The Commission received the plan draft this morning. On a

separate note, the Commissioner's Oregon State University motor pool car will be one of the cars in the Road User Fee Pilot program.

She and Matthew Garrett met with the Chief Executive Officer (CEO) of Warn Industries. Warn Industries is a major worldwide manufacturing company, located off I-205 in the industrial area along Highway 211. The CEO is looking at making a significant investment in a new manufacturing plant and one of the critical decision points is whether or not he will be able to continue to get his employees and his goods in and out of the congested I-205 area. He will make a decision in the very near future on whether to invest in a new plant in Clackamas County, Oregon, or to invest in that plant in Mexico. A significant issue is whether he believes we have any prospect of addressing the traffic congestion problems on I-205.

Another trip taken reinforced some of the concerns heard when the Commission met recently in Yachats. Commissioner Achterman recognized the heroism of our maintenance staff and management team. Earlier this month, Highway 35 washed out and was closed for the better part of a week, due to a debris flow that came down off the Elliott and White River Glaciers. When that event occurred, our maintenance supervisor at Government Camp and Charlie Sciscione, who is an area manager from another area, went out in the middle of the night to reroute the White River to prevent it from completely washing out the highway. It is important to plan for this type of emergency. We must act fast with the cooperation of the other responsible agencies to save facilities and reduce costs. Thanks to the quick action of the Forest Service and our own crews in Parkdale and Government Camp, the road was saved.

Commissioner Papé reported the most significant issue on his agenda was the meeting Chair Foster and he had with Region 4 in Bend to talk about Highways 97 and 20, the Cooley Road project, and some of the transportation issues that area is faced with due to tremendous growth pressures. He appreciates the job our Region 4 staff is doing to work through those challenging issues in helping both the City and the County and, at the same time, dealing with a lot of projects taking place in the region. The Oregon Freight Advisory Committee's role is helping to identify potential projects that we may wish to move forward with and the funding process later in Spring 2006 as it brings forward a list of projects that will help Oregon move economy through the non-highway *ConnectOregon* projects.

Commissioner Nelson thanked Chair Foster for hosting the Commission in the beautiful, fogless community of Medford. He continues to work with Transportation Enhancement program staff on discretionary fund issues.

Commissioner Wilson attended the Sunrise Corridor event with Matthew Garrett and Jason Tell, as well as the opening of the St. Johns Bridge, which was well supported by the community. She has also spent time on bringing two agenda topics to the Commission today.

Chair Foster did not make a report.



As part of the public comment period, and prior to the formal comment portion, the Commission recognized Representative George Gillman, Chair of the House Transportation Committee, and thanked him for all he does for the community and for working with ODOT on transportation issues.

Representative Gillman welcomed the Commission and staff to Southern Oregon. He complimented the department on doing a wonderful job keeping I-5 open and usable, with a minimal amount of congestion, during a busy construction season.

Marianne Owens, Glendale, was recognized by the Commission for her service on the Oregon Transportation Safety Committee. Ms. Owens briefly described her background as Vice Chair and gave an overview of the positive things that were happening as a result of the Commission approving the 2006 Transportation Safety Plan last August. (*Testimony in General Files, Salem.*)

In addition, Ms. Owens provided the following comments to the Commission:

- Would like to see three lanes, plus a shoulder, on all uphill grades.
- Closing down the freeway during a snow storm is not the answer. When in Glendale and you need to get a patient to the hospital, but the freeway is closed, there are not many options.

The Commission presented Marianne Owens with a 10-year ODOT pin for her dedicated service on the Oregon Transportation Safety Committee and thanked her for her hard work and advice.

Public comments were received from:

- Art Schlack, Association of Oregon Counties, spoke to the Commission about the 2008 – 2011 STIP. One looming issue is the reauthorization of the Federal Forest Safety Net (Public Law 106393; specifically, the Secure Rural Schools and Communities Self Determination Act of 2000). If we lose those funds, or if it is substantially reduced, it will have a major impact on the county portion of the state system. Counties will be looking for help from the legislature and the Commission to maintain their systems. The Commission agreed that it is critical to keep the road system open.
- John Pearson, citizen from Medford, talked about Interchange Management Plans and his experience with the South Medford Interchange Management Plan. He asked the Commission to encourage staff to be more aggressive and creative in making these plans, especially in the area under the Oregon Code designated as mitigation.



The South West Area Commission on Transportation (SWACT) Chair Jim McClellan and Interim SW Area Manager Michael Baker presented information on the Bylaws and Biennial Report. (*Background material in General Files, Salem.*)

Mr. McClellan pointed out that in working with the STIP, one problem the ACT faces is some projects cost more money than they are ever going to have in one year. Two bridges in particular were identified, the Scottsburg Bridge on Highway 38 and the Isthmus Slough Bridge in Coos Bay. The ACT is currently working with staff to see if the projects could be broken into segments and done over a period of time.

Mr. Baker acknowledged appreciation for the ACT members and talked about the criteria used to score projects and taking the projects out to the public, getting as much public input as possible. This has been beneficial to the communities as they discuss such programs as *ConnectOregon* and the Oregon Transportation Plan.

The Commission recognized the importance of Mr. McClellan, Mr. Baker and the efforts of the ACT members in delivering a good, high quality product to the State of Oregon. It is absolutely critical to the Commission that they have their participation, and SWACT is a great example of meeting the expectations of what an ACT should be.

Commissioner Wilson moved to approve SWACT's current Bylaws and Biennial Report. The motion passed unanimously.



The Rogue Valley Area Commission on Transportation (RVACT) Chair Mike Montero and Rogue Valley Area Manager Art Anderson presented information on the RVACT Bylaws and Biennial Report. (*Background material and current projects handout in General Files, Salem.*)

Mr. Montero commented on the RVACT Bylaws, to help the Transportation Commission appreciate what they represent to the ACT. There are two counties in the Area Commission's boundary and diverse transportation personalities in all communities in the area. Coming to a consensus on bylaws that will work with sufficient flexibility to address issues that are of a state nature has been a challenge.

They have an air quality problem, so they need to be mindful of the transportation investment choices they make, because the impacts are not only environmental but financial as well. In addition, they have a Metropolitan Planning Organization (MPO). MPO's function with a different set of standards. They are federal in nature and many times they do not interface with the kind of precision the ACT likes to have. That, too, is a challenge. Also important is the notion there is no free lunch. There is a backlog of about \$600 million in projects. The ACT has pioneered the notion of looking for

opportunities for the private sector and municipal government to leverage scarce resources with ODOT to fund projects.

The Commission recognized that RVACT was one of the two original Area Commissions and knows first-hand how successful they have been. This Area Commission is often used as an example in other parts of the state as very effective.

The Commission personally thanked Mr. Montero for not only being the RVACT Chair, but for his statewide participation on many critical committees, including the STIP Stakeholder Policy Committee, the Transportation Plan Mobility and Economic Vitality Committee, and the Governor's Task Force on the Impacts of Growth, just to name a few.

Commissioner Papé moved to approve the RVACT Bylaws and Biennial Report. The motion passed unanimously.



Deputy Director for Highways Doug Tindall reviewed the monthly status report of the Oregon Transportation Investment Act of 2003 (OTIA III) Bridge Program. (*Background material in General Files, Salem.*)

In late September, a major portion of rescoping was completed and a number of bridges were changed to “no work” as a result of further baseline study.



Office of Innovative Partnerships Manager James Whitty and Project Manager Art James requested approval for the Office of Innovative Partnerships to enter into negotiations with successful proposers on previously selected Oregon Innovative Partnerships Program projects. (*Background material in General Files, Salem.*)

Also on hand were Pamela Bailey Campbell, Carter & Burgess, and Geoff Yarema, with the Nossaman law firm.

The Request for Proposals closed on August 29. Four proposals were received, three from the Oregon Transportation Improvement Group (OTIG) led by Macquarie Infrastructure, on all three projects. The remaining proposal was from the Yamhill Transportation Partners, led by Bechtel and CH2M Hill on Newberg-Dundee alone. An intense, month-long evaluation process began with an evaluation team, consisting of James Whitty as Chair, Doug Tindall, Jeff Scheick, Matthew Garrett and Cathy Nelson.

Mr. Whitty advised the next steps would be formal concurrence by the Commission for the Department to immediately enter into negotiations with the Oregon Transportation Improvement Group for pre-development agreements on all three projects. ODOT

would then come back to the Commission following negotiations, should they be successful, early in the first quarter of 2006.

Commission comments included:

- Understanding that a 30% discount would be granted should OTIG be awarded one, two, or all three projects was confirmed.
- Scoping money language appeared to be loose.

Diane Ragsdale, Mayor of Dundee, presented a letter dated October 19, 2005, to the Commission from Leslie Lewis, Yamhill County Commissioner; Bob Stewart, Mayor of Newberg; and Mayor Ragsdale, thanking the Commission for including the Newberg-Dundee Transportation Improvement Project in the solicitation for proposals. The letter also requested inclusion of a local government representative as part of the negotiation team, primarily concerning issues relevant to the Newberg-Dundee project. (*Letter in General Files, Salem.*)

Mayor Ragsdale complimented Office of Innovative Partnership staff and Terry Cole for work done on the Dundee transportation system, the Dundee Refinement Plan and the ongoing efforts to help Dundee find interim solutions for the congested traffic in Dundee.

Mayor Ragsdale is enthused about the potential innovative public partnership to provide a portion of the funding for the Newberg-Dundee Bypass. However, she shares concerns with other residents and elected officials in Yamhill County who believe it is naïve to expect that tolling alone will fund this project. They are very concerned that the public money in this private-public partnership has not been identified. Mayor Ragsdale requested the Commission take steps to approve and implement a comprehensive strategy to construct the projects of statewide significance. She is concerned an aggressive program is not in place to complete these vitally important projects, including the Newberg-Dundee Bypass. She asked the Commission to provide the leadership to get this done.

The Commission asked the Mayor to clarify her comments about 100% tolling vs. partial tolling/partial funding from other sources. Mayor Ragsdale advised she would prefer not to have the bypass 100% funded by tolling.

The Commission discussed the request to have local government representatives included as part of the negotiation team during the pre-development services agreement negotiations and asked James Whitty about the feasibility of such a request. He explained the locals were involved in the interview process very successfully and they would like to continue that into negotiations. There are elements of negotiation, particularly public involvement, which he thinks they would need to pass on. A negotiation schedule with meeting dates has been set with local officials. On elements of critical importance to local officials, they will have the ability to comment and provide an opinion on how they feel we ought to proceed.

The Commission wanted to make sure the expectations are clear. Yamhill County needs to understand that we have put \$20 million in the pot to facilitate public-private partnerships. Other than the federal earmark received as a result of the reauthorization bill, the Commission is not aware of any other funds that are available from any other state source to finance this project. We must determine whether we can deliver this project earlier and through this process. By starting down this road, we are not saying it will be delivered. We are going to do everything to make this process work and try to figure out how it can be delivered, but there is not another pot of money to dip into.

The Commission did not want to get wrapped up in the side issue debate of whether 100% tolling would be acceptable and suggested the local community come up with a strategy through systems development charges to create a stream of revenue to partially fund this; but, if the Commission chooses to go ahead with this, its commitment is covered in the previous paragraph.

Commissioner Achterman moved to approve the Office of Innovative Partnerships to enter into negotiations with the Oregon Transportation Improvement Group for pre-development services necessary to move the Sunrise Project, the South I-205 Corridor Project, and the Newberg-Dundee Project forward as Innovative Partnership Projects – with the understanding that the negotiations are limited with ODOT’s financial exposure under the pre-development agreements, and that the work plans are going to be structured around specific milestones. Commissioner Achterman did not repeat the exact limitations in the requested action, but it was understood the agreements will be limited as follows:

- ODOT’s financial exposure under the Pre-Development Agreements, in the event any or all of the projects do not proceed successfully, will at no time exceed the net funds available from the set-aside for projects of statewide significance or other committed sources of funding.
- The work plan will be structured around specific milestones and will include “off ramps” that will allow termination of the agreements if milestones are not achieved.

Before voting on the above motion, the Commission received confirmation from Mr. Whitty that as this moves forward, based on the resources we think we have available and analyzing the feasibility and financing of a tolled facility, if it turns out there are not any other state or local funds, and the market evaluation indicates that if we try to finance it at 100% tolling it doesn’t pencil out, then the decision will be made not to proceed. The community will then be faced with working through the STIP process with traditional state financing methods.

In addition, the Commission indicated it wanted firm assurance that Macquarie Infrastructure was behind this 100%. Macquarie Infrastructure represented that the people sitting at the table were the people ODOT would be dealing with all of the time. It is absolutely critical that the people from Macquarie are on the front line on this

project. If not, negotiations should stop immediately. In addition, there is a critical need that the public outreach portion of their team be substantially supported.

The Commission believes this is innovative, and the group brings some great talent to the table; but, the Commission expects our team to negotiate an agreement that will realize the most benefit possible for the citizens of this state and for the Yamhill County communities. And, our exposure is limited to the \$20 million identified for public-private partnerships.

Chair Foster stated the motion on the floor was to approve staff to proceed with negotiations as articulated in Commissioner Achterman's motion noted above. The motion passed unanimously.



Public Transit Division Administrator Martin Loring presented the results of the Public Transit Discretionary Grant Program for the 2005-2007 biennium. *(Background material, including a list of the approved projects, in General Files, Salem.)*

Mr. Loring provided an overview of the application and selection process for the \$21.6 million funds available. Nearly 300 applications were received, totaling \$38 million. About 200 projects totaling \$21.5 million were approved by the Project Selection Committee in the categories of service preservation, enhancement and mass transit vehicle replacement. Two new types of projects of particular note are:

- A vanpool pilot project in the Mid-Willamette Valley; and
- Projects in nine areas to match federal Medicaid funding for transporting the elderly. This \$1 million helps our sister agency, the Department of Human Services, to draw down \$1.7 million in federal funds that would otherwise be unavailable to support transportation services.

One wrinkle in the recommendation was reported regarding Mass Transit Vehicle Replacements. The Committee had allocated \$4 million to vehicle replacements, and that was included in the Governor's Recommended Budget for the department. Half of that money (\$2 million for the 2005-2007 biennium) was in a policy package relating to SAFETEA-LU federal funding that was anticipated to be available. Since the federal bill had not been approved by the time the legislature acted on our budget, a budget note directed the department to go back to the Emergency Board for the \$2 million if the federal bill was approved. Since SAFETEA-LU was approved, the Commission will consider a request for approval to appear before the April 2006 Emergency Board at a future meeting.

The \$2 million in the budget replaces ten buses (five for urban agencies and five for rural agencies). The second \$2 million adds another six urban buses recommended for replacement by the Project Selection Committee.

Commissioner Wilson thanked Mr. Loring and staff for doing an excellent job. The Committee had a unanimous recommendation, thoughtfully looking at preservation first, enhancement second, and then used criteria on both mileage and life of the vehicles in terms of replacement. Commissioner Wilson felt good about the outcome, due to staff's outstanding work.



Martin Loring requested approval of additional recommendations for public transit project awards. (*Background material in General Files, Salem.*)

Mr. Loring reported that a balance of \$4.3 million in funds was found that could be reallocated to additional projects. Specifically, these funds were committed to projects that had been completed, but the grant had not been closed out and an unexpended balance remained. Martin Loring explained two things that needed to be done:

A better system to improve stewardship abilities. He is currently working with staff on a development project to help meet these needs.

The identified funding could be invested in the following ways:

- Consider projects the Selection Committee said it would have funded had it known that more money was available.
- Transit agencies have asked for one-time assistance in adjusting to rapidly rising fuel costs.
- Pursue opportunities to coordinate transportation with human services agencies and schools. Solid projects have not yet materialized, but they may before another two years goes by. It may make sense to reserve some funds against this possibility.
- Reserve some funding to deal with another service emergency such as the one recently experienced in Curry County.

Mr. Loring recommended the Commission direct staff to consult with the transit community, analyze available investment alternatives from a strategic standpoint and develop an investment recommendation. The recommendation on how to invest this fund balance of \$4.3 million, plus any additional funds identified, would be brought back to the Commission after it has been reviewed by stakeholder groups and the Public Transportation Advisory Committee.

As the advisory committee considers how to invest these funds, the Commission emphasized its desire to put a high priority on new pilot projects to test different methods of public transit or mass transit services.

Commissioner Wilson moved to approve the recommendation as noted by Mr. Loring above. The motion passed unanimously.



The Commission approved the next two meeting dates as:

- Wednesday, November 16, in Salem.
- Tuesday, December 13, in Salem.



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

1. Approve the minutes of the September 14 and 15, 2005, Commission meeting in Yachats.
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.	Amendment of OAR 731-080-0020, 0030, 0040 and 0070 relating to the Road User Fee Pilot Program.
b.	Repeal of OAR 735-062-0100 relating to driver license renewal by mail.
c.	Amendment of OAR 740-055-0030 relating to International Fuels Tax Agreement fees.

4. Approve an amendment to the 2006-2009 STIP to cancel the US 101: Davis Slough to Bandon Chip Seal project in Coos County, and redistribute the funds from that project to cover the estimated increase in cost for the OR 38: Scottsburg to Scotts Creek Resurfacing project. The total amount of this request is \$639,000.
5. Approve an amendment to the 2004-2007 STIP to add two new safety projects. The projects are OR 126 Durable Striping, from milepoint (MP) 37.48 to MP 46.03, in Lane County, and improvements to signalized intersections on OR 99W at Fairfield and at Royal, in Eugene. The total cost for each project is \$300,000, for a total of \$600,000.
6. Approve an amendment to the 2004-2007 STIP to add the Salem Area Highway Advisory Radio (HAR) Installation project. Total cost of this project is \$68,000. Further amend the current STIP to reduce the scope and funding for the Eugene Metro HAR. This reduction will cover the cost for the Salem Area HAR.
7. Approve an amendment to the 2004-2007 STIP to add the I-84: Emigrant Springs Westbound Left Lane Resurface project in Umatilla County (MP 232.9 to MP 237.9). Total amount of this request is \$330,000.

8. Approve an amendment to the 2004-2007 STIP to add the I-84: NE 105th to Troutdale, Advanced Transportation Management System (ATMS) Closed Circuit Television and Communications project in Multnomah County (Portland). Funds will come from canceling the Region 1 ATMS Hardware & Software (Ph 8) project and from the 2006 Region 1 Operations Reserve funds. The total project cost is \$1,580,000.
9. Approve the Annual Report of Financial Transactions of the Director of the Oregon Department of Transportation for fiscal year ended June 30, 2005.
10. Approve an amendment to the Oregon Transportation Commission's approved list of "Statewide Significant" projects to concur with previous recommendations to include the South I-205 Corridor Project (Clackamas, Multnomah and Washington Counties) and the I-5/I-405 Loop Project (Multnomah County).
11. Approve a request to submit to the Governor for his signature the proclamation designating December 2005 as "Drinking and Drugged Driving Awareness Month" in Oregon.
12. Approve an amendment to the 2004-2007 STIP to add the Berg Parkway Extension project located in the City of Canby. Funding of \$1,231,650 will come from a cancelled OTIA II project (OTC approved cancellation of the Arndt Road project in July 2005). Total project cost is estimated to be \$1,368,500.
13. Approve redistribution of \$64,000 industrial rail spur funds to Amy's Kitchen in White City.

Chair Foster announced he had four conflicts of interest on the consent calendar; specifically, Item 2: Highway 62 Corridor Solutions (Unit 1), I-5 Exit 99 Interchange Improvement, and I-5 South Medford Interchange; and Item 13 regarding Amy's Kitchen in White City.

Commissioner Achterman moved to approve all items on the Consent Calendar, except Items 2 and 13. The motion passed unanimously.

Commissioner Achterman moved to approve Item 13. Chair Foster declared a conflict of interest and abstained from voting. The motion passed.

Commissioner Achterman moved to approve Item 2. Chair Foster declared a conflict of interest and abstained from voting. The motion passed.



Chair Foster adjourned the formal meeting at 12:15 p.m.



Stuart Foster, Chairman

Gail Achterman, Member

Randy Papé, Member

Mike Nelson, Member

Janice Wilson, Member

Kim Jordan, Commission Secretary