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OREGON TRANSPORTATION COMMISSION

**Minutes of the Regular Monthly Meeting
April 26 – 27, 2006
Bend**

On Wednesday, April 26, the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff, along with invited guests, met for a workshop in the DeArmond Conference Room of the Deschutes Services Center, in Bend. A no-host social hour and dinner were held that evening in the Twilight Room of the Mt. Bachelor Village Resort Conference Center.

On Thursday, April 27, at 7:30 a.m., OTC and ODOT staff held a briefing session and reviewed the agenda in the Autumn Skies Boardroom of the Mt. Bachelor Village Resort Conference Center. The regular monthly meeting began at 9:00 a.m. in the Winter's Hope Conference 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
Director Matthew Garrett
Chief of Staff Joan Plank
Deputy Director for Central Services Mike Marsh
Deputy Director for Highways Doug Tindall
Communications Administrator Patrick Cooney
Trans. Development Administrator Craig Greenleaf

Executive Officer for Highways John Jackley
Chief Engineer/Tech. Services Mgr. Cathy Nelson
Statewide Project Delivery Manager Tom Lauer
Rail Division Administrator Kelly Taylor
Region 1 Manager Jason Tell
Region 2 Manager Jeff Scheick
Region 3 Manager Paul Mather
Region 4 Manager Bob Bryant
Region 5 Manager Monte Grove
Commission Secretary Kim Jordan

April 26, 2006

Oregon Transportation Commission members, ODOT staff and invited guests participated in a themed workshop: How do we balance the function of state highways with the needs of serving the fast growing communities? (*Background and handout materials in General Files, Salem.*)

Moderator Chris Warner, Governor's Office, kicked off the workshop in the following order:

Local government representatives presented information on growth and development issues in Central Oregon. Representatives included: Catherine Morrow, Deschutes

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County Planning Director; Deborah McMahon, Interim Planning Director for the City of Prineville; and Chuck McGraw, Madras Planning Manager.

Panel 1: Growth in Central Oregon and Land Use Implications.

Business and development community representatives focused their comments on where large-scale destination resort and community development is expected; how they see Central Oregon continuing to grow as a destination for tourism and recreational visits; what are the environmental consequences of the growth; and anticipated impacts to the transportation system.

Panel members included: Jerry Andres, Chief Executive Officer for Eagle Crest; Mike Schmidt, Bend Chamber of Commerce; Todd Taylor, Hap Taylor & Sons; Alana Audette, Tourism; and Gretchen Palmer, Palmer Homes.

Key discussion areas:

- System development charges or real estate transfer tax
- Workforce housing
- Importance of passing lanes
- Possibility of designating Millican Road a state highway
- Getting truck traffic through town
- Bend Parkway access
- Alternative transportation options
- State highway system funding
- Affordable housing
- Mass transit role at the region level
- Purchasing highway right of way
- Industrial development

Panel 2: Needs and Opportunities.

Rail, freight, trucking, aging population/elderly and disabled representatives focused their comments on what needs and regional growth issues their organizations are facing; how inter-modal connections can be enhanced to improve rail transport to Central Oregon; how growth in Central Oregon is impacting freight mobility; how freight connectivity can be enhanced; how the population is changing; transportation needs; and how growth is affecting mobility for the elderly and disabled.

Panel members included: Bob Russell, Oregon Trucking Associations; Stewart Bennett, Cascade Transport; John Orem, L & S Transport; Jeff White, representing seniors and people with disabilities; Andrew Johnsen, Burlington Northern/Santa Fe Railroad; and Dan Lovelady, Prineville Railway.

Key discussion points:

- Trucks and round-about designs
- Need for more passing lanes
- Shortline railroads using mainline tracks
- Use of railroad right of way
- Conflicts between rail and other land uses
- The building of train units by shortline rail for effectively working with Class 1 rail

Panel 3: Statewide Perspective.

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State government representatives focused their comments on the importance of planning for and maintaining the efficient movement of through traffic in high growth areas.

Panel members included Bob Bryant, ODOT Central Oregon Region Manager; Mark DeVoney, ODOT Central Oregon Region Planning Manager; and Charles Kettinger, ODOT Rail Crossing Safety Manager.

Key points discussed:

- Driver behaviors/need for change
- ODOT is looking at strategies to help fund some improvements to local roads, since it does not have enough money to expand lanes and build interchanges.

Panel 4: Central Oregon Area Commission on Transportation Perspective.

Central Oregon Area Commission on Transportation (COACT) representatives focused their comments on the role of the parkway/alternative routes as part of the local transportation system.

Panel members included: Deschutes County Commissioner Dennis Luke; Crook County Judge and current COACT Chair Scott Cooper; Jefferson County Commissioner Bill Bellamy; Redmond Mayor Alan Unger; Bend Mayor Bill Friedman; and Confederated Tribes of Warm Springs representative Lonny Macy.

Key discussion points:

- The amount of time to build an ODOT project is too long
- Creating a Central Oregon long-range transportation planning task force
- Looking at local, county and state roads as one system
- Providing more time for ACTs to do their job
- Road bonding is a concern

Panel 5: What's next and where do we go from here?

Chris Warner kicked off the last panel discussion by soliciting comments on key panel discussion points.

Overall, the idea of creating a long-range transportation planning task force received positive reactions. In talking about this task force, Commissioner Achterman suggested the possibility of funding a regional visioning exercise, using money made available for this type of research through the outstanding efforts of Congressman DeFazio. Commissioner Achterman thought the exercise could, among other things, look at designing a planning process that would not take five or ten years to build, and provoking a regional conversation for Central Oregon citizens about what kind of mobility and transportation services they want to see.

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Other comments included: other innovative ways to fund transportation needs is favored over bonding; moving freight in and through communities with the least amount of congestion; and the need for Highway 97 to be four lanes, border-to-border, with no funds to make it happen.

The workshop ended at 5:00 p.m.

Gregg Dal Ponte's presentation on *Over-Dimensional Trucks: A Day in the Life of a Driver* was cancelled due to time constraints.

The dinner program included historical information from Jim Crowell. Oregon Transportation Commission member Randy Papé provided closing remarks that touched on the afternoon's workshop and his long-time connections with the Bend area. The dinner program ended around 8:30 p.m.

April 27, 2006

Chair Foster called the meeting to order at 9:00 a.m.



Director's report highlights:

Oregon Supreme Court ruling regarding outdoor advertising.

On March 23, 2006, the Oregon Supreme Court issued a ruling on a 10-year-old case regarding outdoor advertising. The court struck down the on-premise vs. off-premise distinction, affecting ODOT's ability to regulate off-premise signs and billboards. At issue is compliance with the Federal Highway Beautification Act of 1965. The department engaged the court, looked at its remedy, and thinks it found some factual errors. We believe the issue needs to be presented and briefed in more detail. The Department of Justice has been asked to file a petition for reconsideration to the Supreme Court. If the court accepts the petition, ODOT will put on hold any activities that may compromise its compliance with regulating billboards; thus turning off federal funds that may flow to Oregon. Director Garrett promised to provide status reports as appropriate.

Testimony before the Forests and Forest Health Subcommittee.

The first week of April 2006, Director Garrett traveled to Washington, D.C. to testify before Congressman Walden's Forests and Forest Health Subcommittee hearing on the Walden/Blumenauer Mt. Hood Stewardship Legacy Act. Representatives Blumenauer and Walden put together a forward-looking piece of legislation that addresses many of the challenges Mt. Hood will face in the next several decades – including transportation system challenges. ODOT helped the legislators craft language that calls for the department to develop an integrated, multi-modal transportation plan that will develop solutions to transportation challenges facing the recreation areas on the mountain, as

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well as Highway 26 and Highway 35 Corridors. The plan focuses on how to move people to and through the Mt. Hood region, and how to move people between mountain recreation areas. If this becomes law, ODOT's efforts will help promote robust conversations with a variety of partners lining the Highway 26 and 35 Corridors.

While in Washington, D.C., Director Garrett took the opportunity to meet with members of the Oregon Congressional Delegation and their staff to discuss the department's agenda. He also had a very good meeting with top officials from Federal Highway Administration (FHWA), including its new administrator, Richard Capka, with whom ODOT's response to the recent Supreme Court decision on outdoor advertising was discussed. Director Garrett commented on the good working relationship and strong partnership with these officials, which will help resolve the outdoor advertising issue to FHWA's satisfaction.

Meetings with Bond Agencies.

On April 17 and 18, 2006, ODOT's Chief Financial Officer Dennis Strachota, ODOT's Debt and Innovative Finance Manager Diane Hopper, and Director Garrett met with the three credit rating agencies in New York City (Moody's, Standard & Poor's, Fitch) to provide presentations on the department's upcoming \$300 million OTIA III bond issue. Based upon information presented at these meetings and their analysis of the Department's credit history, current economic and financial indicators and the proposed structure and financing of the next bond issue, all three agencies will issue credit ratings on or before May 8. The ratings will include ODOT's first ratings on subordinate lien and variable rate debt.



Commission member reports were deleted this month.



Public comments were received from the following individual:

- Paul Dewey, representing Central Oregon LandWatch (formerly the Sisters Forest Planning Committee), urged the Commission to consider a proposal to designate and protect "Cathedral Grove" sections along Oregon highways. Specifically, the Oregon Transportation Commission was asked to direct the Oregon Scenic Byway Committee to initiate a survey of the location, number, and characteristics of the remaining "Cathedral Grove" sections and to direct the Oregon Department of Transportation to forego any further widening in such stands until designations can be made. *(Copy of Mr. Dewey's letter in General Files, Salem.)*



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

1. Minutes of the March 14 and 15, 2006, Commission meeting in Eugene.
2. Resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
3. Oregon Administrative Rule (OAR) actions:

a.	Amendment of OAR 734-074-0010 relating to deployment of lift axles.
b.	Amendment of OAR 740-020-0010 relating to declaration of a pecuniary interest in a motor carrier business.

4. Miscellaneous Resolution No. 306 related to: (a) the issuance of Highway User Tax Revenue Bonds, Series 2006, authorizing the Department to proceed with the issuance of the Oregon Transportation Investment Act of 2003 Bonds for modernization and bridge repair and replacement projects in an aggregate principal amount sufficient to produce net proceeds of not more than \$400 million; and (b) the issuance of Highway User Tax Revenue Refunding Bonds in a principal amount, if any, approved by the State Treasurer.
5. Commit funding, in State Fiscal Year 2007, to the state's Metropolitan Planning Organizations (MPOs). The total amount to be passed through to the MPOs is \$6,625,508. The State's share of this total is \$661,399. Grant authority to the Transportation Development Division Administrator to sign the necessary agreements for the disbursement of the above noted funds.
6. An increase in project authorization in the amount of \$1,860,272.41 for the Interstate 5: North Ashland – 12th Street (Medford) construction project.
7. An amendment to the 2006 – 2009 Statewide Transportation Improvement Program to add the construction phase of the US 97: Columbia River (Biggs Rapids) Bridge project in Sherman County. The total construction cost is expected to be \$13.5 million, making Oregon's share \$6.75 million.
8. An amendment to the 2006 – 2009 Statewide Transportation Improvement Program to add the Willamette Falls Locks: Rehabilitation and Interim Operations project. Funding of \$318,300 in Transportation Enhancement Discretionary funds will support seasonal operation costs at Willamette Falls Locks for a two-year period.
9. Reauthorize \$500,000 in Type A Immediate Opportunity Funds for transportation improvements at NE Sandy Boulevard and NE 223rd Avenue in Multnomah County to recruit a truck parts distribution company.

Chair Foster declared a conflict of interest on Item #2, specifically the property described as US 199 @ Laurel Road (Cave Junction) on the Redwood Highway, Map No. 10B-21-06, because his firm represents one of the parties listed. Chair Foster declared another conflict of interest on Item #6, because his firm represents the project's contractor and he is a close friend of the management executive in charge of the contractor's construction projects.

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Commissioner Nelson also declared a conflict of interest on Item #2, specifically the property described as OR 7: Campbell Avenue/Interstate 84, Baker – Copperfield Highway, Parcel No. 7209-013. Commissioner Nelson advised he owns several pieces of property on Campbell Avenue.

Commissioner Achterman moved to approve all items on the Consent Calendar with the exception of the Item #2 property acquisitions stated above and Item #6. The motion passed unanimously.

Commissioner Achterman moved to approve the property acquisition described as OR 7: Campbell Avenue/Interstate 84, Baker – Copperfield Highway, Parcel No. 7209-013, as part of Item #2. Commissioner Nelson abstained from voting. Remaining members passed the motion unanimously.

Commissioner Achterman moved to approve the property acquisition described as US 199 @ Laurel Road (Cave Junction) on the Redwood Highway, Map No. 10B-21-06, as part of Item #2 and to approve Item #6 increasing the project authorization for the Interstate 5: North Ashland – 12th Street (Medford) construction project. Chair Foster abstained from voting. Remaining members passed the motion unanimously.



The Commission received a report on tolling issues from Doug Tindall; Jim Whitty, Office of Innovative Public-Private Partnerships Manager; Phil Bates of Steer Davies Gleave; and Pamela Bailey-Campbell of Carter Burgess. (*Background materials in General Files, Salem.*)

Mr. Bates briefed the Commission on possible ways to collect the data – an intercept survey vs. a postcard survey was discussed.

After discussion and assurances, the Commission commended staff on the thorough meeting material and agreed the intercept survey appeared to be structured in such a manner that everything was being done to make it a positive process.

Commissioner Wilson moved to approve the Oregon Transportation Improvement Group's traffic and revenue subcontractor, Steer Davies Gleave, to conduct vehicle origin-destination surveys of the traveling public as part of its investigation of the financial feasibility of the Newberg-Dundee project. This approval includes the authority to close lanes and/or divert traffic, as necessary, taking the utmost care to minimize delays. The Commission makes this approval and authorization in accordance with ORS 810.030 by making the determination that these actions are consistent with the need to protect the interest and safety of the general public. The motion passed unanimously.

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The Commission put the remaining tolling discussion on temporary hold to go on to the next agenda item.



The Commission considered approving the current Central Oregon Area Commission on Transportation (COACT) Charter, referred to as Operating Guidelines. Adjustments were made to its membership to include two non-elected officials, one representing Jefferson County and one representing Crook County. (*Background materials in General Files, Salem.*)

Commissioner Papé moved to approve the current COACT Charter as presented. The motion passed unanimously.

The OTC thanked Deschutes County Commissioner Dennis Luke for his participation in yesterday's workshop, as well as COACT's involvement in highway and multi-modal transportation issues.



The Commission returned to the tolling discussion.

Pamela Bailey-Campbell briefed the Commission on the first three tolling policy issues (interoperability, toll collection method, and violation enforcement). Policy approach, discussion, Washington's study, and options to consider were areas covered on each policy issue. Four additional policy issues were identified: customer service center; toll rate setting; pricing strategies; and access restrictions and tolling rates by vehicle class. Because of time constraints, the remaining four policy issues will be covered at the May meeting.

The Commission requested an opportunity to review any drafted legislation to assure various aspects are included; and it requested that tolling be a continuing discussion at each monthly meeting leading up to August 2006.



Bob Bryant and Mark DeVoney gave a presentation on the Highway 97/20 Refinement Plan. The Refinement Plan addresses the gaps from the north and south ends of the Bend Parkway. The main purpose of the presentation was to review the previous options presented to the OTC at its December 2005 meeting, present new concept variations to the Commission, and solicit early input on them. (*Background materials in General Files, Salem.*)

The Commission was informed that a recent decision had been made by the Steering Committee to drop Options 1 and 4 – options that involve a new corridor. However, the

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City still needs to take the Steering Committee's decision/recommendation back to the full council and have some mutual discussion on it. The OTC thought the Steering Committee's decision merited further study.

Commissioner Papé disclosed that, through his company, he has an interest in the parcel of property that runs along Nels Road and Highway 97.

Timelines for the community planning decision-making process were discussed, and specifically how it connects into the STIP (Statewide Transportation Improvement Program) decision-making process. It is anticipated that Central Oregon region staff will come back to the Commission with a recommendation after getting further detail on the preferred options sometime mid-to-late summer.

Public comments were received from the following individuals:

- Michele Bayard provided comments on the Highway 97/20 Refinement Plan. He thought some of the concepts will be expensive, but the problem needs to be solved. Mr. Bayard urged the Commission to do it right, and to do it now.
- Kevin Burnes, SIMA Corporation President, urged the Commission to consider the impact each option will have on local businesses and the community, as well as several other requests as noted in his April 27 letter to the OTC. Mr. Burnes also noted for the record that they are commenting on Option 1 with very limited information. (*Copy of Mr. Burnes letter in General Files, Salem.*)

The Commission requested staff to provide it with a response to the second bullet in Mr. Burnes' letter dealing with traffic counts. The Commission pointed out that information on the regional traffic model was critical to its decision making.



Doug Tindall provided a monthly status report on the Statewide Transportation Improvement Program (STIP), Oregon Transportation Investment Acts (OTIA) of 2001, 2002, and 2003, and the OTIA III State Bridge Delivery Program. (*Background material in General Files, Salem.*)

The good news: it is anticipated that Stages 1, 2, and 3 of the design process will be done by the end of 2006, perhaps earlier.

Mr. Tindall advised some problems have arisen regarding the OTIA III State Bridge Delivery Program's expenditure curve. The curve now shows a construction peak rather than a plateau. A peak is not necessarily good in terms of getting good bids or from a mobility standpoint. Consequently, ODOT staff began to look at options to smooth the curve back out. Those options included additional re-bundling of bridges and increased use of design-build. Concerns heard from the stakeholder committee were:

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- From the trucking industry – if ODOT is shifting things around to take on projects that don't have environmental or right-of-way problems, make sure it is not jeopardizing mobility.
- From the contractors – they had concerns about ODOT's current design-build process, the bundle size, and the ability of Oregon contractors to compete.

Mr. Tindall informed the Commission that ODOT staff, in conjunction with the Associated General Contractors (AGC), is looking at various options. Mr. Tindall promised more detail to come in the OTIA monthly reports as they work through the concerns.

Jessica Adamson, representing the Associated General Contractors (AGC) of Oregon, commented on the positive and honest partnership with ODOT. She advised AGC's concerns center around ODOT delivering the program in less time. The AGC felt delivering the program in eight years would mean that the commitments the legislature asked ODOT to meet would not be met in terms of mobility, workforce, and in making sure Oregon firms have a chance to compete. She explained that if ODOT increases the size of the bundles and moves more to design-build, the bidding pool will be limited. The bigger the project, the less likely it will be for an Oregon firm to get the required bonding capacity to bid. Ms. Adamson requested that ODOT continue to look at ways to reconfigure projects so smaller bundles are possible.

The Commission shared the desire of giving Oregon firms the opportunity to bid on these projects and urged AGC to prepare a letter explaining its concerns. The Commission thought the eight-year time frame was not an absolute, provided there were good reasons for taking more time.



Mike Marsh presented information on the upcoming legislative budget process and the 2007 – 2009 budget request, including ODOT's draft proposed 2007 – 2009 Agency Request Budget (ARB) policy packages. The ARB includes 22 proposed policy packages totaling \$71.6 million and 71.32 full-time employees (FTE). (*Background material in General Files, Salem.*)

Policy package summaries follow and greater detail is provided in the background material. Policy packages and the remainder of the budget are expected to be presented for Commission approval at the May 2006 Commission meeting.

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**OREGON DEPARTMENT OF TRANSPORTATION
2007 – 2009 Agency Request: Proposed Policy Packages**

		TOTAL REQUEST	
		FTE	DOLLARS
#101	Highway – Sno-Park Fee Increase		\$556,960
#102	Highway – Document Management Phase II	3.00	\$4,000,000
#103	Highway – Baker City and East Portland Facilities		\$7,000,000
#201	Driver & Motor Vehicles – Implement SB 640 – Facial Recognition	5.00	\$3,675,682
#202	Driver & Motor Vehicles – Real I.D. Act	33.87	\$6,223,351
#203	Driver & Motor Vehicles – Replace Automated Testing Devices System		\$1,400,000
#206	Driver & Motor Vehicles – Beaverton Field Office – Lease		\$432,000
#301	Motor Carrier Trans. – Transaction Fee on Credit Card Payments		\$1,560,000
#401	Trans. Program Development – Asset Management	3.00	\$770,000
#404	Trans. Program Development – Integrated Transportation Information System Database Replacement		\$1,000,000
#405	Trans. Program Development – Research SAFETEA-LU Funding	2.45	\$407,000
#411	Public Transit Division – SAFETEA-LU Implementation	1.00	\$3,000,000
#421	Rail Division – Reclasses	17.00	– 0 –
#422	Rail Division – Passenger Rail Funding		\$4,500,000
#431	Trans. Safety Division – Driver Education Support	2.00	\$208,627
#471	Central Services Division – Integrated Financial/Human Resources Sys.	3.00	\$6,615,818
#472	Central Services Division – Oregon Wireless Interoperability Network		\$25,000,000
#473	Central Services Division – Transportation Building Renovation – \$38 M Design and Permits \$4,710,339		\$4,710,339
#474	Central Services Division – Civil Rights Workforce Development	1.00	\$300,000
#475	Central Services Division – Risk Management Limited Duration Position	1.00	\$111,000
#479	Central Services Division – Sustainability Coordinator	1.00	\$125,000
#480	Board of Maritime Pilots – Fee Increase		
TOTAL		73.32	\$71,595,777

Key Commission comments:

- Relating to #301 – The Commission requested that when negotiating transaction fees in the future, the department do everything possible to obtain the lowest possible fee.
- Relating to #475 – The Commission recognized it is critical to have aggressive claims management and do everything we can to work with employees regarding the best possible way to return to work.



The Commission confirmed the next two meeting dates as:

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- Wednesday, May 24, 2006, in Salem.
- Wednesday and Thursday, June 28 and 29, 2006, in Boardman.



Chair Foster adjourned the meeting at 12:50 p.m.



Stuart Foster, Chairman

Gail Achterman, Member

Randy Papé, Member

Mike Nelson, Member

Janice Wilson, Member

Karen Elliott, Commission Support