

## OREGON TRANSPORTATION COMMISSION

### Minutes of the Regular Monthly Meeting January 15, 2015 Salem, Oregon

On Thursday, January 15, 2015, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a premeeting briefing session in the Jefferson I Room at the Red Lion Motel, 3301 Market Street NE, Salem, Oregon.

Highlights of the premeeting were:

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ODOT Director Matt Garrett led the Commission in a review of the meeting's agenda. ODOT staff and the Commission discussed the procedures for the *ConnectOregon* public hearing. Sign-in would open at noon, and per normal OTC policy, elected officials would be allowed to testify first.

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The Commission received a briefing from ODOT staff on the Corvallis to Albany Trail, including how the project was funded by multiple grants from ODOT. ODOT staff indicated that the segment on which *ConnectOregon* funds are to be used has a number of contested land acquisitions. Commissioner Lohman asked whether the segment funded by *ConnectOregon* would have value even if the unfunded segment is never built because of opposition from farmers. Pat Fisher of ODOT's Active Transportation Section indicated that all segments have independent utility because they reduce the length cyclists and pedestrians must travel along US 20, thereby increasing safety. Travis Brouwer explained that the project has a conditional use permit hearing with the Benton County Planning Commission later this month, with a decision likely in early February. If granted a conditional use permit, the decision will go to the county Board of Commissioners. If approved by Commissioners, opponents will appeal to the Land Use Board of Appeals. The Commission asked whether a lengthy appeal would stop the project, including whether opponents could obtain an injunction, but Bonnie Heitsch of Oregon DOJ indicated that the project could still move forward while a LUBA appeal is underway and that an injunction is not likely because it would be difficult to show irreparable harm.

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Travis Brouwer, ODOT Assistant Director, led the Commission through the revised 2015 OTC Work Plan. Brouwer explained that ODOT made a number of changes based on comments made by the Commission at the October workshop, including:

- Adding a policy implementation oversight section to supplement the modal plans under development in the OTP implementation section.
- Splitting passenger rail between preservation of the current service and the passenger rail improvement project that is currently underway.
- Adding in the Commission's role in partner and stakeholder relations with ACTs, MPOs, and Regional Solutions Teams.

- Updating the status report to reflect that least cost planning (MOSAIC) will continue to be included in the work plan.
- Adding a quarterly planning calendar to show the types of items that will be coming to the Commission.



The regular monthly meeting began at 9:30 a.m. in the Jefferson III Conference Room at the Red Lion Motel.

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 Tammy Baney	Communications Section Manager Tom Fuller
Commissioner Dave Lohman	Region 1 Manager Rian Windsheimer
Commissioner Susan Morgan	Region 2 Manager Sonny Chickering
Director Matthew Garrett	Region 3 Manager Frank Reading
Deputy Director for Central Services Clyde Saiki	Region 5 Manager Monte Grove
Asst. Director for Public Affairs Travis Brouwer	Commission Assistant Jacque Carlisle
Trans. Development Div. Admin. Jerri Bohard	Commission Assistant Beck Sue Williams
Highway Division Administrator Paul Mather	
DMV Division Administrator Tom McClellan	



Chair Baney called the meeting to order at 9:30 a.m.



Governor Kitzhaber briefly called in to the meeting to discuss a few points. The first is that he is seeking new leadership for the Transportation Commission. This is primarily due to the fact that in the wake of the Oregon Business Summit, and strong interest by both legislative leaders, it's quite likely we'll have the opportunity to move a transportation package this session. Kitzhaber said he is very supportive of that, and to that end he has asked Commissioner Tammy Baney to step in as Chair of the Transportation Commission. She has accepted and he is very grateful for that. Kitzhaber said he will also be seeking a new member for the Commission, which he will name shortly.

Governor Kitzhaber expressed his appreciation and thanks to Catherine Mater for her services to the Commission and to the State of Oregon. She is a very valued leader and friend, and he wished her the very best in her future endeavors.

Governor Kitzhaber said he also wanted to be very, very clear that his position on coal as an energy source has in no way changed. He continues to oppose coal exports from Oregon, and he continues to believe we need to do all we can to find cleaner sources of energy, both for the benefit of our environment and for future generations. This leadership change has absolutely nothing to do with coal. Clearly, there is an ongoing broader debate taking place across our state concerning how we manage our energy sources and the appropriate roles of the various agencies and commissions in that process. Kitzhaber said he is very open to having that conversation.

Going forward, he hopes the OTC will remain innovative, take some risks when necessary, and engage with the local communities, the local area commissions on transportation and Regional Solutions Teams. Your leadership, and that of our local partners, is waiting to see if Oregon is going to realize additional investments in the transportation system. All of us agree that that is a very, very high priority. Clearly, our strong multimodal transportation system has been an advantage for us in a heavily trade-dependent economy as we continue to keep jobs in the regions and have sought to export products. We need to continue to make investments in that multimodal system and he looks forward to working with the Commission to achieve a robust and efficient transportation system in the State of Oregon.

Chair Baney thanked the Governor for his comments and said he has a Commission that is ready to push forward with him, and appreciates his leadership. There is a lot of work in front of them to make sure the transportation infrastructure is invested in, in a way that enhances economic vitality and also supports the communities in which our residents hope to create great lives in.

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***Director's Report***

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***Rail Division – Federal Railroad Administration Accepts Oregon State Rail Plan***

Director Garrett said the agency is pleased to report another milestone for the recent project developing a new State Rail Plan for Oregon. Following the Commission's action adopting the State Rail Plan in September 2014, staff submitted the document to the Federal Railroad Administration (FRA) for "acceptance" under the federal Passenger Rail Investment and Improvement Act (PRIIA). FRA has accepted Oregon's plan without change.

This action confirms that Oregon now meets federal obligations for a statewide rail plan, and positions the state for a number of future FRA funding opportunities. In addition to meeting federal requirements, the Plan also provides a roadmap for considering and prioritizing potential public investment in rail, assuring public return on investment, and leveraging rail's critical role in Oregon's multimodal transportation system.

Garrett said, "Again, we want to thank Commissioner Lohman for his work in Chairing the Oregon State Rail Plan Steering Committee, Commissioner Morgan for her contributions as a

member of the group, and all of the other stakeholders who devoted their valuable time to this project. We also want to thank the Federal Railroad Administration who provided a grant to develop the plan and provided guidance during the planning process. We look forward to implementing the 2014 Oregon State Rail Plan and continuing the valuable partnerships that this process allowed us to build.”



### ***Scenic Byway Program***

The Scenic Byway Program recently wrapped up a successful partnership with the North Coast Land Conservancy, Oregon State Parks, the U.S. Fish and Wildlife Service and a private landowner that resulted in preserving one of the Oregon coast’s most pristine natural areas. Located a few miles south of Depoe Bay, the new Whale Cove Unit of Oregon Islands National Wildlife Refuge area is now protected for future generations to enjoy and for the natural environment to thrive. The area is home to seals and sea lions, resident whales, bald eagles, native plants and more. A \$650,000 grant from our Scenic Byway Program, combined with a \$1.6 million matching grant, will keep this sensitive area free from previously planned development. It’s all a testament to the hard work of our Scenic Byway Program Manager Pat Moran, his team, and many concerned individuals and groups.



### ***Public Comments***

None.



### ***Formation of Region 1 Area Commission on Transportation***

The Commission received an update from the Oregon Department of Transportation and Oregon Solutions staff on the development of an Area Commission on Transportation (ACT) in Region 1. ODOT Region 1 Government Liaison Kelly Brooks and ODOT Region 1 Manager Rian Windsheimer led the presentation. ***(Background materials in Director/Commission/History Center File, Salem.)***

#### ***Background:***

*ODOT and Oregon Consensus staff provided an update to the OTC on December 18 about the status of forming an Area Commission on Transportation in Region 1. A final formation proposal document has been out for public comment since December 16. Today, staff presented a summary on the public comments received up to January 13, and sought further clarification or input from the Commission regarding any possible changes to the proposal, prior to the issuance of a provisional charter at the February OTC meeting.*

**Presentation:**

Rian Windsheimer said the comments and feedback received have been very positive. Some of the angst we had heard from Clackamas County in the conversations around super majority voting requirements has dissipated. They have moved on to a place where they are ready to move forward, while still reserving their right to resume this conversation in the future. Windsheimer introduced Kelly Brooks who discussed the eight comments received and their responses.

Kelly Brooks said the eight comments received were overwhelmingly supportive of the ACT itself, but there were issues within each of the letters. Particulars of the letters included:

- Clackamas County highlighted their ongoing concern about a super majority vote of 18 being too low, but they are willing to give it a try as long as we can revisit that issue after the next STIP cycle to see if that threshold is right. Clackamas County also commented they would like nominations to the ACT to come through the County Commission rather than the Clackamas County Coordinating Committee. This is an action ODOT staff recommends we do not take at this time. There is an ongoing discussion between the County and the Coordinating Committee on who should perform those nominations that we want to continue. From the ODOT perspective, we want both to be involved in the process.
- The Cities of Clackamas County's (C-4) comments were also supportive of the ACT, but expressed continued concern about selection of the Business/Labor representative. C-4 suggests the current proposal be modified from a "County approved process" to nomination from C-4. As with the issue above, ODOT wants the discussion to continue, with both being involved, and the issue resolved by the time bylaws are created.
- Metro had three primary issues. The first relates to the last two nominations, the At-Large Active Transportation representative and the Freight representative. These two nominations are made last so they can be voted on by the entire body. Metro is asking that all stakeholders be approved by the same appointing body of public sector agency representatives, including active transportation and freight. The second was retention of Metropolitan Planning Organization (MPO) authority, and the federal laws that give them authority. ODOT recognizes, and has respect for, the MPO's authority and will continue to prioritize coordination with the MPO. The final issue was will there be any necessary amendments to JPACT's bylaws as a result of the creation of the ACT. At this point, we don't know, but pledge to work with them and take those issues direct to JPACT if they arise.
- Washington and Clackamas County staff identified some portions of both Washington and Clackamas Counties that are in Region 2 and not a part of an ACT. They are asking that those areas be brought into the Region 1 ACT. ODOT considers that a fair recommendation.
- The Mayor of Hillsboro suggested the number of elected representatives that come from Washington County be reduced from six to four. There is an opportunity to continue that discussion at the Washington County Coordinating Committee.

**Discussion:**

Commissioner Morgan said we can't underscore the importance of the work that's been done here, and the fact that a lot of people came together and worked through some pretty thorny

issues. As we continue, issues will continue to come up, and the door is open to the forum we have here to bring those issues forward. It will remain open at their discretion. Morgan thanked all the people who came to the table with a vision that was greater than themselves.

Chair Baney said she appreciated the patience this has needed to get to where we are today. The Commission is dedicated to making this work. There is equal angst with people unsure about how this is going to work, but until we truly embrace it and move forward, we won't know where those land mines will be.



### ***Driver and Motor Vehicle Service Transformation Program (STP)***

The Commission received an informational update on development of the Driver and Motor Vehicle Services Division (DMV) Service Transformation Program (STP), which will oversee business transformation and computer systems modernization at DMV. ODOT Driver and Motor Vehicle Services Division Administrator Tom McClellan and DMV Transformation Program Lead Dawn Farr gave the update. ***(Background materials in Director/Commission/History Center File, Salem.)***

#### ***Background:***

*In July 2014, the department requested and received Commission approval to include \$32,786,400 Other Funds and 45.83 FTE to the Agency Request Budget for the 2015-2017 Systems Modernization Program Policy Option Package. The full agency request for this program was included in the Governor's Budget, which was released December 1, 2014.*

*In October 2014, Dawn Farr started a 12-month job rotation to guide preparations for the Service Transformation Program (STP). Dawn's role is to help the department prepare and gain approval for the resources needed to manage such a comprehensive change process. Key planning goals for the next six months include:*

- Enhance Communications – Tools developed include project and budget overview documents, a video depicting current DMV operations and goals of system modernization, presentation slides, a monthly column in DMV employee newsletter, and an STP intranet site. A communications plan covering all desired internal and external activities is being developed for this program.*
- Establish Governance Framework – Discussions are occurring within DMV and with ODOT leadership on the best structure to support successful governance of STP. Once a preliminary framework is approved, teams will begin to form and prepare to take on their assigned roles within the governance structure.*
- Initiate Project Management Planning – Activities include preparing key project management documents, establishing quality assurance processes, defining a procurement strategy, benchmarking, and identifying resources needed to move the program forward. The department is working closely with the Office of the Chief Information Officer and the Legislative Fiscal Office to ensure that project oversight requirements are met.*

- *Improve Business Readiness – Activities include clarifying the desired DMV of the future, documenting current business processes and requirements, preparing groups to lead projects and manage change, defining future staffing needs, and building a change management plan.*

*The department plans to refine the original policy option package to reflect new information from the past 6-8 months. This adjustment will not impact the overall 9-10 year timeframe and \$90 million total investment for the program. Key changes include a revised procurement strategy, readiness planning activities, and scheduling of key deliverables for the 2015-17 biennium. Changes will be coordinated with the Governor’s Office, Office of the Chief Financial Officer, and Legislative Fiscal Office.*

**Presentation:**

Tom McClellan introduced Dawn Farr who helped with the presentation. Highlights of the presentation on the DMV Service Transformation Program were:

- Goals include service excellence, efficiency, accountability, and modernization.
- Technology will enable transformation from a limited and inflexible functionality to a multiple and adaptable functionality.
  - On-line service versus waiting in line
  - Electronic versus paper
  - Real-time record access versus manual access
- Contractors will be used pretty heavily.
- The Governor’s Policy Package requests the creation of an Office of Transformation to lead this effort over the next several years. Dawn Farr was chosen as DMV Transformation Program Lead.

Dawn Farr continued the presentation with a discussion on the Office of Transformation, which will manage governance, communications, staffing, scope, stakeholder engagement, quality assurance, procurement, project and risk management, and strategic alignment. It will also manage change in the organization associated with this big transformation. The Commission viewed a brief video on DMV that will be shown to stakeholders. Highlights of Dawn’s presentation were:

- Goals of enhanced communications are to build awareness, program support and feedback to target groups of policymakers, stakeholders, customers, and employees.
- Governance framework will include a strategic advisory group, ODOT and DMV Steering Committees, and User Council.
- Project Management covers a broad range of elements, like documentation, quality assurance, procurement, benchmarking, budget and schedule, and scope and change management.
- Improved business readiness will address the need to prepare leaders, establish a vision for DMV’s future, document the process, define staffing needs and develop a change management plan.
- Near-term priorities include advance readiness, engage legislators and stakeholders, and to identify resource to redeploy.

***Discussion:***

Commissioner Morgan said the video, which showed documents moving through DMV in speed time, dramatically illustrates the issues staff face. Oregon has a legacy of failure with large technology projects, so she appreciates the structure built to work with the private sector stakeholder, DAS, the Legislative Fiscal Office, and the agency itself. She urged them not to leave out the policy side of the legislature. Often there is some cross-pollination between the silos of the folks that do the budgeting and those that do the policy, but it would well be worth everyone's time to make sure that the policy committees that deal with transportation are also being kept in the loop and listened to so that the concerns, issues and knowledge they possess is growing along with the project.

Commissioner Lohman said this project puts the credibility of the whole agency on trial, so please don't stumble. He cautioned to keep a constant eye on customer service and thinking this through from the standpoint of the person coming to a DMV office, or the person trying to get on line who is not computer savvy. Even the best of systems have a learning curve that can be bumpy, citing his recent experience with an e-court filing that took eight hours to complete because the application was missing a "submit" button.

Tom McClellan said he agreed with Commissioner Lohman's comments on many levels. The stakeholder aspect is an issue as the court system sometimes forgets that other entities use the system and are affected by what they do. We are one of the recipients that use the information that comes from that system, and if information is missed, interpreted incorrectly, or entered inaccurately, the amount of extra work that comes about can really set staff back. That's why planning, clear requirements, and clear communication are key things we can't afford to miss.

Commissioner Lohman told Director Garrett that the DMV Service Transformation Program's Policy Option Package and Customer Service for the 21<sup>st</sup> Century documents, along with the video, are excellent in succinctly capturing what this is all about and give people the confidence we are going about this in the right way. We need to learn from that throughout the agency. One of our biggest challenges is helping people understand we have a transportation *system*, and making things work on the transit side helps the highway. All of those issues are difficult to grasp, in somewhat similar ways to this technology transformation being difficult to grasp. We need to go to school on what's been done here in terms of putting together a program that explains it in a tangible way to legislators and the general public.

Tom McClellan said they have relied heavily on agency resources; it's not just DMV that's making this happen. Tom Fuller and the Communication Team with its video, Travis Brouwer with his folks in Government Affairs, along with IS, Procurement and many other areas of this agency have pulled together to make this happen and be successful. McClellan said they have received great support from the agency, and they could never have put together a video of that quality without the assistance of Tom Fuller and his team.

Chair Baney asked where the Office of Transformation communication links with communication from the department to the community. Who is in charge of the communications that go out? How are we mitigating issues that come up? Tom McClellan

responded that Dawn Farr has an important role in the content of the message, and works very closely with Communications and Government Relations staff. One of their goals is to make sure staff with contact to key people have what they need to get a consistent message out and answers to stakeholder when they have issues or frequently asked questions.

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**Orphan Highways**

The Commission received an informational presentation on “orphan highways” from ODOT Highway Division Administrator Paul Mather. ***(Background materials in Director/Commission/History Center File, Salem.)***

**Background:**

*The **Fix-It** program focuses our resources on the most critical statewide routes, and less important routes suffer. These district and regional highways are often the most important routes in local communities. In some cases, the local jurisdiction may be willing to take over jurisdiction of those segments if there is revenue to cover the ongoing liability of maintaining these roads/streets.*

*Today’s presentation builds on previous presentations made to the OTC, and gives timely background as this topic will likely come up during the legislative session since it is one of the recommendations from the Transportation Forum.*

**Presentation:**

Paul Mather gave the presentation on orphan highways. Highlights of the presentation on orphan highways were:

- Orphan highways look like city streets or county roads, are critical to the success of local communities, and are often a low priority for ODOT.
- The goal is to align the appropriate jurisdiction (state, county, or city), with the roadway.
- Local control will afford local decision making and efficiencies.
- Jurisdictional transfers and candidates for jurisdictional transfer. (82<sup>nd</sup> Avenue in Portland is the poster-child for orphan highways.)
- The key issue is funding. The system is underfunded and transferring additional liability is counterproductive. Transferring funding from high priority routes creates other problems.
- A Roadway Transfer Focus Group, with representatives from ODOT, the Association of Oregon Counties (AOC) and the League of Oregon Cities (LOC), was created for La Grande, Forest Grove, and Corvallis. The group learned that transfers in growing communities have the most advantages, rural transfers are a financial decision, and transfers should be evaluated on a case-by-case basis.
- The Oregon Transportation Forum recommends adopting a 1 cent gas tax to facilitate transfers.

- Benefits include local control and investment on key community routes allows ODOT to focus on statewide routes and also creates overall system efficiencies.

**Discussion:**

Chair Baney asked if local governments were approaching ODOT about orphan highways as often as ODOT approached local governments. Is the feeling mutual about the transfers and the need? Paul Mather responded that, in general, people are afraid to bring the conversation up because of the liabilities involved and financial concerns. People are more focused with just keeping the doors open. Each region is a little different with the Lane County area more focused on bicycle issues, while in Klamath County it is more of an efficiency issue.

Commissioner Lohman said the jurisdictional transfers make a lot of sense from ODOT's perspective in situations where ODOT and local government policy cause inefficiencies, such as local government needing to get permits for parades, or repairs can't be made to certain streets to accommodate ODOT policy.

Commissioner Morgan said Douglas County has had many of the same issues Commissioner Lohman described. They are now caught in a place where many rural counties are, where the road funds are dwindling substantially, they have taken on these state roads, and now are in the position of having to finance repairs. The issue is clearly funding, and the ongoing nature of the cost is going to be a big piece of the discussion. There will probably be a number of instances where local jurisdictions won't take the transfer unless there is some guarantee of money to provide maintenance.

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**Transportation Options Plan**

The Commission conducted a public hearing on the draft Oregon Transportation Options Plan currently available for public review and comment. ODOT Principal Planner Michael Rock gave a brief overview. **(Background materials in Director/Commission/History Center File, Salem.)**

**Background:**

*The Oregon Transportation Commission (OTC) reviewed the draft Oregon Transportation Options Plan at the Commission's November 21, 2014 meeting, and released the draft plan for public review and comment. As part of this public review period, Oregon Department of Transportation (ODOT) staff members have consulted with Area Commissions on Transportation (ACTs) and interested stakeholder groups through meetings, presentations and notification of public review information. A statewide press release and online information has supplemented other consultation efforts. This public hearing will provide an additional opportunity for interested stakeholders to provide comments as well as a venue to testify directly to the Commission.*

*The public comment period will close on January 30, 2015. At that time, staff will compile comments and share the input at a final Oregon Transportation Options Plan Policy Advisory Committee (PAC) meeting scheduled for February 26, 2015. Following final edits to the draft plan,*

staff will present the revised document and the draft “Findings of Compliance with Statewide Planning Goals” to the Commission and request Commission review and potential adoption. This action is anticipated at the April 2015 Commission meeting.

**Presentation:**

Michael Rock talked about the strategy and methods used for outreach to get the word out on the Transportation Options Plan. He said today’s hearing is another element of that outreach strategy. The public comment period will remain open for written comments until January 30. At that time, the comments received will be reviewed with the Policy Advisory Committee for final revisions for the draft.

Highlights of the comments and feedback received include:

- Most of the feedback has been positive, and we have learned more about programs around the state that do the types of things the Transportation Options Plan will cover, especially some of the human services or medical dial-a-ride trips.
- We were also reminded to be sure and consider urban and rural in the plan.
- There has been an emphasis to make sure the plan is framed up to transportation choices rather than requirements.
- There is a lot of support statewide for these really cost effective solutions to help put another tool in the toolbox for transportation solutions, particularly when they support modal choice, safety, and promote the multimodal approach ODOT is working toward.

**Public Hearing:**

**Public Hearing.** (Note: *Public comments will be limited to no more than three minutes each. Individuals providing similar testimony on the same topic are requested to appoint a spokesperson. The commission has allocated 90 minutes for this item, but will hear all those who wish to testify.*)

Chair Baney called the Public Hearing to order at 10:42 a.m.

Testimony: No comments received.

Chair Baney adjourned the Public Hearing at 10:48 a.m.

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**Consent Calendar**

The Commission considered approval of the Consent Calendar. (**Background materials in Director/Commission/History Center File, Salem.**)

1. Approve the minutes of the December 18, 2014, Commission meeting in Salem.
2. Confirm the next two Commission meeting dates:
  - Thursday, February 19, 2015, meeting in Keizer.
  - Thursday, March 19, 2015, meeting in Salem.
3. Request approval to adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request a determination, under the authority of OAR 731-070-0240, that pursuing the Biggs Junction Truck Parking Project under the authority of the Oregon Innovative

Partnerships Program (OIPP) has the potential to accelerate cost-effective delivery and promote innovative approaches to carry out the project.

5. Request approval of the Speed Zone Review Panel's recommendation to adjust the location of a 55 mph speed limit zone on Interstate 5 south of Ashland.
6. Request permission to apply the current balance in the Industrial Rail Spur Fund to repair and maintain a portion of the Willamette Valley Railway (WVR) in accordance with the original intent of the fund. The funds in the account are the last remaining and when spent will conclude the rail spur program.

**Action:**

Commissioner Morgan moved to approve the Consent Calendar. Commissioner members unanimously approved the motion.



The Commission adjourned for a working lunch at 11:45 a.m.



Assistant Director Travis Brouwer led the Commission through a discussion of the 2018-2021 STIP agenda item that will be taken up in February. The Commission will be inviting the ACT chairs in to discuss the 2018-2021 STIP process, and also beginning discussion of funding scenarios. Brouwer explained how the STIP is almost entirely made up of federal funding, so the current uncertainty around future federal funding needs to be considered and mitigated by building in some assumed reduction in federal highway funding flowing to Oregon. In addition, the Commission will need to make policy decisions about how much money is put into various programs outside the **Fix-It** and **Enhance** framework and which programs are outside that framework. In addition, the Commission will need to decide what share of funding should go into **Fix-It** versus **Enhance**; this should be made with a close eye to any funding package being developed by the Legislature to balance that funding. Brouwer shared an illustrative funding scenario chart showing three options on each of the two dimensions of federal funding levels and **Fix-It** versus **Enhance** funding, yielding nine potential scenarios. However, a number of these are likely not plausible scenarios because they don't mitigate for potential federal funding losses or don't provide adequate funding for **Fix-It**. Depending on the scenario selected, the **Enhance** process might look somewhat different if there is not enough money available for a full application process and selection by ACTs. Final decisions on funding scenarios won't be made until late spring, once federal and state funding are somewhat more clear.



Brouwer and TD Administrator Jerri Bohard handed out copies of the State of the System report and discussed how it serves as a report card for the implementation of the Oregon Transportation Plan.

The Commission reconvened at 12:45 p.m.

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**ConnectOregon V**

The Commission received a presentation and conducted a public hearing on the project selection results from the *ConnectOregon V* Final Review Committee. Transportation Development Division Administrator Jerri Bohard and ODOT Freight Program Manager Chris Cummings gave the presentation. ***(Background materials in Director/Commission/History Center File, Salem.)***

***Background:***

*Oregon Department of Transportation (ODOT) has \$4 million of ConnectOregon funds to allocate for projects. The \$4 million is comprised of \$2,580,418.00 in ConnectOregon V funds and \$1,419,582 from previous ConnectOregon project savings and loan repayments.*

*At its November 21, 2014 meeting the Oregon Transportation Commission instructed staff to reconvene the ConnectOregon V Final Review Committee (FRC) to review and prioritize projects for recommendation back to the Commission. The Commission further instructed that the FRC review the unfunded and not fully funded projects in the top two-thirds of the average committee ranking from the initial Final Review Committee review process in June 2014. The total list of projects reviewed included 35 unfunded projects and 1 project not fully funded by the Commission. Finally, the Commission stated that if the FRC were to reconsider project 1M0294 Port of St. Helens: Berth 2 Beaver Dock Reconstruction, that the FRC address five Commission concerns pertaining to the project.*

*To assist the FRC in their process, ODOT staff solicited supplemental applications from each of the 36 applicants. Staff also invited all applicants to attend the FRC meeting to address committee member questions and concerns. The FRC reconvened on January 7, 2015 in Portland. Bill Thorndike of Medford Fabrications CSC served as committee chair. In all, 23 of the 26 Final review Committee members participated in the meeting, and each ConnectOregon mode and region was represented.*

*The FRC discussed and prioritized 31 projects. Two projects withdrew from consideration and the FRC chose not to consider three projects. The FRC individually voted on and recommended a 200% (percentage of available funds) list of priority projects. The FRC further individually voted on and recommended one specific project for inclusion after the 200% priority projects. All remaining projects were voted by the FRC to follow the order of initial modal and regional average priorities.*

*The Commission will make a decision on project funding at its February 19, 2015 meeting in Keizer. Staff will receive public comment regarding the FRC prioritization through February 15, 2015 and supply those comments to the Commission for review and consideration.*

***Presentation:***

Chris Cummings gave a brief background on *ConnectOregon V*, which awarded \$40,369,190 to 36 projects in August, 2014. That left \$2.5 million available in un-obligated funds. In addition, savings were realized from cost savings in past projects, cost underruns, and loan payments in

the amount of about \$1.4 million. At the Commission's direction, the Final Review Committee revisited projects not completely funded for allocation of the remaining \$4 million in funds.

**Public Hearing.** *(Note: Public comments will be limited to no more than three minutes each. Individuals providing similar testimony on the same topic are requested to appoint a spokesperson. The commission has allocated 60 minutes for this item, but will hear all those who wish to testify.)*

Chair Baney called the Public Hearing to order at 12:47 p.m.

Public Testimony was heard from:

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Tony Hyde, Columbia County Commissioner, reiterated that Columbia County has spent a great deal of time and effort preparing the port facility for growth. Tens of millions of dollars have been spent on infrastructure in preparation for the future. They are sitting on one of the best ports on the lower Columbia River which will be a multiuse facility. The improvements are very important to the area, and Oregon as a whole. He said they have been crunching the budget for five years of furlough, and their way out is not to tax, it's to grow their way out and this is the turnkey.

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Brian Manning, Greenpeace USA, spoke in support of the Commission's decision last August to deny funding for the Berth 2 at Port Westward project. The project is not shovel-ready and is a dangerous project that could have devastating impacts on the environment. He urged the Commission to deny funding for coal exports or other fossil fuel projects.

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Jenny O'Connor, Greenpeace USA, spoke in opposition of the berth project in St. Helens because it seems the project is built on speculation and she does not see a match for the funds.

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Dr. Kelly O'Hanley, Greenpeace USA, said she has built a career of protecting mothers and babies. Therefore, she is alarmed by the prospect of using *ConnectOregon* funds to subsidize coal and oil shipments through Oregon. Instead, we should work to being leaders in green jobs and a low-carbon economy through development of solar technologies and hydroelectric power.

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Blaine Ackley, Friends of the Gorge, said the purpose of the OTC is to protect Oregon residents and to provide them with safe transportation options. Is it safe to have coal and oil shipments on these rail lines, while at the same time provide them with no access to public health in emergency situations? This project will only increase the number of trains that carry these dangerous commodities, and thus, hurt our communities.

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Marjorie Kircher, citizen, spoke in opposition to the Port Westward project on the grounds of the health disorders associated with exposure to the diesel exhaust.

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Regna Merritt, Oregon Physicians for Social Responsibility, expressed disappointment in the Commission for reconsidering the August vote denying funding for the port project. There are significant issues that need to be addressed to make the project ready. She reminded the Commission of the many health and safety risks associated the coal exports, and requested the Commission deny the port grant application.

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Dr. Theodora Tsongas, citizen and environmental health scientist, said she is very concerned about the climate, environmental, and safety impacts of mining, shipping and burning of coal. Is there an emergency plan in place to deal with emergency situations that often occur, like rail cars that arrive at their destination on fire because of the highly flammable nature of some coals? Projects that promote coal exports threaten our health and safety, and Tsongas urged the Commission to restore faith in the *ConnectOregon* process and deny the application.

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Dan Serres, Columbia River Keeper, said the Commission took into consideration the eight thousand comments received in opposition to the Berth 2 project when it made its decision back in August. Nothing has changed and the project still is not ready to go. The five issues the Commission identified have not been addressed, and it makes no sense to go back on the decision made in August.

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Bonnie McKinley, Power Past Coal, urged the Commission to not use *ConnectOregon* funds to feed the fossil industry.

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Karla Chambers, Stahlbush Island Farms Corvallis, spoke in opposition to the Corvallis-Albany bike path. Although not on the current funding list, the project was granted \$2 million in the 2014 *ConnectOregon* program. Chambers is very much against the project and asked the OTC to deny any future funding requests, as well as revoke the \$2 million already granted. The project does not meet the requirement of being shovel-ready and funds are not being allocated in the given timeframe required for *ConnectOregon* grants. A safe means for bicycle transportation is fully supported, but this project is the wrong solution for the problem.

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Tina Galloway, Stahlbush Island Farms Corvallis, said she was testifying today because she is personally offended by the threat of eminent domain to condemn high value farm land for recreational purposes. The Benton County application was extremely misleading in its readiness and disrespectful of the Commission and review committee's time. State law gives us the opportunity to impose sanctions on projects already awarded funds, to revoke those funds. Galloway said the Commission erred in awarding funds to the project in the first place, and asked the Commission to remedy the failure before more time and money is spent, and revoke funding for the project.

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Debbie Cozzetto, Stahlbush Island Farms, provided testimony for Joseph Harman of Harman Investments. Mr. Harman states that the grant application for a bike path in Benton County

was misrepresented. In other words, the grant has been approved, decisions have been made, and millions have been allocated to a project that is not shovel ready as a result of inaccurate and misleading information. Trading high grade farmland for asphalt, and inhibiting our right to farm, does not make sense for Benton County or Oregonians.

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Paula Miranda, Port of St. Helens, gave testimony to reemphasize that the port project is not a project for coal; it's a project to reconstruct and restore a public dock. Independent of who the users will be, the dock needs repairs and upgrades to continue to be operational.

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Rob Inerfeld, City of Eugene, gave a brief overview of what bike-share is and what the proposed 24-station bike-share station in Eugene would mean to Oregon.

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Paul Thompson, Central Lane MPO, offered the MPO's full support for the bike-share program and its commitment to the 20-year endeavor.

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Kelsey Moore, University of Oregon Bike Program, said the University has \$200,000 set aside for bike-share and has determined four different stations that can be set up on campus. Bike-share is a great opportunity for tourism and health, as well as a business recruitment tool to attract workers.

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Daeuthen Dahlquist, Friends of Columbia Gorge, said the Berth 2 project is about money. If today you vote to pollute the Columbia River, you are polluting my future. By barging coal down the Columbia River, we will dirty the waters and jeopardize future water supplies, endanger salmon, and kill the recreational beauty of the national scenic area. By barging coal down the river, we are releasing CO2 into the atmosphere causing rain to fall on the mountain instead of snow, resulting in Mt. Hood being 70 percent below snowpack.

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Ryan Rittenhouse, Friends of Columbia Gorge, said Friends has been opposed to the increases of coal and oil transport through the Columbia Gorge and the impacts this kind of development has on this national treasure. There is already a significant coal dust problem in the gorge and Friends is currently suing Burlington Northern for violations of the Clean Water Act. Ambre Energy is a failed company and this is a failed project, so allocating public funds for this would be an inappropriate and irresponsible use of public funds. He asked that the Commission stand by its previous decision and not cave to special interest pressure.

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Stephanie Houge, citizen, expressed strong opposition to the Benton County application, saying the project is not, and cannot be, construction-ready by the deadline. In addition, the impacted farmers have not agreed to or signed any easements, are strongly opposed to the route, and will oppose it at all levels. Benton County provided misleading statements in its application, intentionally excluded farmers from the process, and threatened farmers with the loss of their

property through eminent domain condemnation if they do not agree. This project cannot be funded as it does not meet the *ConnectOregon* legal criteria.

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Byron Cook, citizen, spoke in opposition to the proposed Corvallis/Albany bike path that has been misrepresented by Benton County. The path crosses over EFU land, violating legislative protections against diminishing and converting highly productive farmland to non-farm use. In addition, the route is not well thought out. It will pass along stretches that are submerged by deep water for long periods of time, it cuts off access to farms and substantially impacts the work of farmers, and it creates safety risks. As a reserve Deputy Sheriff for Benton County, Cook is strongly concerned about safety because the proposed path is hidden from public view by the raised railroad bed and vegetation, and it's difficult for emergency personnel to access, putting injured users at extreme risk. Recently, a released sex offender listed his address as right along the route. This proposal for mixing real farming and recreational cyclists creates a real risk of tragedies. Cook and others stand in opposition of the project and will oppose it at all levels.

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Aaron Bolster, citizen and owner of Deep Root Farms, gave testimony in opposition to the Corvallis/Albany bike path application. Benton County Public Works staff falsely states in the application that the right-of-way acquisition has been completed on all the parcels affected by the proposed project. As of January 14, 2015, Benton County has not acquired a single right-of-way in the "Manchester to Scenic" grant area. Considering the County's attempt to defraud the taxpayer, Bolster urged the OTC to revoke funding immediately.

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Tom Denison, citizen, said his 43-acre organic fruit and vegetable farm will be cut in half by the proposed bike path in Benton County, destroying 6 greenhouses, buried irrigation, a drainage system, and a significant amount of high-value farmland. He asked the Commission to withdraw funding for the project that is not construction ready.

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Stan and Louise Snyder, citizen, said there is 100 percent opposition to the proposed bike path in Benton County, and provided the Commission a list of five mitigations affecting their farmland that need to be addressed before the project can start. Benton County has threatened to employ eminent domain if negotiations do not proceed according to their time table, even though they are not "construction ready" as required by *ConnectOregon V* law.

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Ed Schultz, attorney representing Benton County farmers, said the Benton County bike path is a project that is so visibly damaging to your operation that it is just not a good idea from the start. Concerned farmers in the area have asked him to address a few issues. ORS 367.084 governs criteria for applications and has not been properly addressed, specifically that the project is not construction-ready and there is no consideration given to the negative economic impact on landowners. There is no transportation plan element to what is being proposed. This is a project that is not even listed in their plan. On behalf of the farmers in Benton County, Schultz asked the Commission to deny the application and take back any funds allocated.

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Rick Hangarter, citizen, is concerned that what happened to get the bike project approved is a sign of much greater dysfunction, not only in this process, but throughout all Oregon government. It's ironic that the bike route got rubber-stamp approval when it doesn't comport with reality in the slightest as to being construction-ready, while with the other controversial project, Berth 2, the issue of not being construction-ready is being cited as just a fig leaf someone dug around to find to cover other personal political agendas. Hangarter said he thinks this is the legislature's fault. When you look at the constitutional criteria for the use of lottery funds, and then the legislative criteria derived from that, it's laughable that this was even considered a transportation project and eligible for lottery funds. The reason it even got considered is that we've constructed a system of review criteria which themselves have dual criteria. Most modes have two reviewers for the criteria. The bike/ped project, which only got put in the last session, has only had one reviewer. This should have been a tier 4 project, no question about it. It's not ready, the economic value is very low, it's a recreational project and it's not for daily commuting for hundreds of people. Hangarter said he thinks the Commission tries to do a good job, but the system itself is dysfunctional and that dysfunction has consequences for real people. That is what you need to be addressing. The legislature, the Governor, and elected officials have failed to do the kind of things that we need as citizens to trust in the government system, and this is an example of why.

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Paul Couthorn, citizen, said he showed up to give his support to the farmers who are in opposition to Benton County. What Benton County has done in its application is fraudulent, and he asked the OTC to withdraw the funding for the bike route.

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Ed Averill, citizen, gave the Commission a brief context for making decisions on anything that has to do with increased sales and usage of fossil fuel. In 2008, scientists brought to our attention the fact that we had burned half of the fossil fuel that we could afford to ever burn without risking catastrophe. If we continue burning the other half of that fuel, we are at risk of losing livability on this planet. If we continue burning fossil fuels at the current rate, we will reach that point in 2025. The industry has found there is an increased volume in supply and a decrease in demand, and are trying to make up for that by looking for new markets abroad. Just like the cigarette companies did when they found local consumers decreasing use. Fifty years ago, we didn't know it was a destructive commodity. Now we do. If we can decrease usage by just over 5 percent a year, we can get to a place where we will never use up that final half. That is the kind of change we must make.

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Paulette Lichatowich, citizen, urged the Commission to deny the Berth 2 application for the second time. The story of Port Westward is a story of promises of new jobs, of the let-down of no new jobs, of failed projects, and of the expenditure of public funds for new infrastructure to encourage industrial development that did not move forward as planned. Over the past ten years, there is a long list of the projects that were invested in and then not built. But, because of the promise of new industry plus new jobs, more than \$60 million in public funds was spent on building infrastructure to make development happen. A memo after the first denial stated five major concerns about the Berth

2 application which were sufficient to reject the funding. It is outrageous that the 2015 second review committee then ranked the application No. 1 in light of the documented concern and public testimony from Oregonians weary of the expenditure of public funds without the promised creation of new jobs.

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Joergen Kritschau, Tax Fairness Oregon, urged the Commission to resist the pressure to approve all of the remaining projects as grants from *ConnectOregon V*. There is no urgency to give away these public dollars as outright grants. Many of the projects would be more appropriately offered loans, in the spirit of public/private partnership for economic development. He urged the Commission to support the establishment of an infrastructure bank, dedicated to *ConnectOregon* funding. Half of *ConnectOregon*'s projected one half billion dollar debt service through 2033 (\$224 million), is interest alone. The original legislation allows for the funding of loans, which if made through an infrastructure bank dedicated to *ConnectOregon*, would accrue back to that program and become a robust revolving fund, reducing such a high level of new Lottery bond funding each cycle.

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Jody Wiser, Tax Fairness Oregon, said three of the projects on the list should be offered loans, not grants. Those projects are Teevin Bros., Sause Bros., and the Sisters Airport. Privately owned Teevin Bros. has already received \$6.7 million in *ConnectOregon* grants. The application today will allow them to buy land and expand their facilities. This business is thriving, has ample customers, and fiscal and technical resources. A loan would be appropriate. A grant of another \$2.3 million is not appropriate. Wiser said Sause's application for \$1.1 million is to pay for two new cargo handling machines – rolling stock. Lottery funds are supposed to be used for capital improvements, not rolling stock. Lastly, the Sisters Airport is asking for funds to build up its airport with lighting and taxiways for “folks arriving home from working elsewhere after nightfall.” Oregon can't afford to have a full airport every twenty miles just to service a handful of people (four flights a day from that airport). All three applications raise issues around using public funds to benefit private companies. Tax Fairness Oregon recommends the Commission reject these projects and offer the applicants interest bearing loans.

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Annie Christensen, Envision Columbia County, spoke in opposition to the Berth 2 project, saying she is disappointed in our leaders for putting tremendous pressure on the Commission to approve a project that does not meet its own criteria. She urged the Commission to think of the full scope of consequences for her grandson and for future generations if this project is funded, and asked if the Commission has the strength of character and courage to do what it knows is best for all Oregonians.

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Lloyd Purdy, City of Tigard Economic Development Manager, said Tigard's proposal to connect its regional workforce to bus and rail transit via unused rail right-of-way ranked high in the review committee's June 2014 review. Based on changes in the review process, the project was not selected as a priority project in the January 7 review. The City of Tigard still believes this infrastructure improvement is a strong competitor for *ConnectOregon* funds, and asks the

Commission to consider Tigard's "Path to Employment" as a favorable candidate for funding, if more funding is made available for projects that reduce reliance on highways by filling up active transportation infrastructure gaps between employees and transit options.

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Carroll Sweet, Envision Columbia County, spoke in opposition to the Berth 2 project and to ask the Commission to deny funding and to not be the kind of Commission that is told how to vote and fired if they vote against the prevailing view.

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Ha Que Nilth (Scott MacGregor), Envision Columbia County, stated that it has proven out that global warming is the direct result of human activity, mostly the burning of fossil fuel. Those who deny this fact will find it increasing difficult in the future as the ever increasing amounts of facts prove it out, such as August and September 2014 being the warmest months ever on record, shrinking glaciers, disappearing polar caps, and rising sea levels. We have to reduce our carbon consumption to keep a livable world.

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Allan Pollack, Cherriots/Salem Keizer Transit General Manager, said the South Salem Transit Project is rated No. 7 on the list, and is the first project below the cut-off line. He told the Commission that in the event more funding is available, the No.1 project below the cut line is ready to move forward. The transit district has demonstrated success on two previous award-winning *ConnectOregon* projects.

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Darrel Whipple, Envision Columbia County, spoke in opposition to the Berth 2 project which brings new threat to the community's health, quality of life and community integrity. The Commission declined to fund the project last summer because it wasn't project-ready, matching funds were not a sure thing, and the project couldn't get permits. Now, with the Governor interfering in the process, it is clear the game was rigged by politicians from the get-go. He urged the Commission to resist playing the game, and do the right thing by denying the application.

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Jenna Marmon, OBPAC Chair, gave scenarios of what life could be like if bike share existed in Oregon, and talked about some of the benefits to its citizens, such as time savings, cost savings, increased physical activity, increased good health, and access to jobs, shopping and services. Bike share is a proven success in cities across the country and around the world, and she urged the Commission to bring it to Eugene with the Eugene Bike Share program.

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Linda Modrell, citizen, former Benton County Commissioner, said the bike/ped path connecting Albany and Corvallis is a safety project, a health project, and one that contributes economic benefits to the region. It is part of a larger vision involving three counties, and there is an opportunity here for conversation and education, and to mitigate concerns for both elements in the community, the farming community and the bike/ped community.

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Mark Siegner, citizen, said Benton County has gone about the bike/ped path all wrong by sneaking around to get a conditional use permit without any ownership, and then just hammering down on those that oppose. Also, there is commonsense that should be applied as there are other areas, like Highway 34 where easements are already in place and infrastructure to support them. It does not make sense, and there is just no reason for eminent domain for a project like this that is really for just the 5 or 6 regular bicyclist that go from Albany to Corvallis, and that is not a critical link for Oregon transportation.

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Brady Preheim, Clean Columbia County, talked about process. He said the fact that the Berth 2 project had already been preordained, the fact that the powers that be actually listened to the public and made a decision against what was supposed to happen, and then the fact that the former Chair is sitting on the other side of the table, is a perversion of the process. He urged the Commission to stand up the Governor and send him a message that that sort of back-room politics is not the way Oregon is run.

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Nancy Ward, Clean Columbia County, said you need only follow the precedent set in the previous review. There was no project ready to go at Port Westward. There *is* no project ready to go at Port Westward. The only reason the dock is back on the board is politics, and politics at its worst. It's old-fashioned, pork-barrel politics more in keeping with the 19<sup>th</sup> century than the 21<sup>st</sup> century. She asked the Commission to make its decisions without regard to whose project is being funded, and to base its decision on whether the project is worthy of spending Lottery dollars for bettering both the living conditions and the economic conditions for the people of Oregon. Please be the ethical, independent Commissioners we desperately need to spend our money wisely.

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Laurie Dougherty, 350 Salem Beyond, gave testimony in opposition to the Berth 2 project, which is intended to increase capacity for coal exports in Oregon. Given Oregon's commitment to combating climate change, this is a step backward and an inappropriate use of *ConnectOregon* funds. The project is not shovel-ready, Ambre has not met permitting requirements, the use of trains for moving fossil fuels is crowding out other freight, including agriculture products, and passenger trains. It is hardly a project that "connects" Oregon.

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Catherine Mater, engineer, said she would review the findings of fact as she saw it when she was in the Commission's position. First, there was no ambiguity in the Berth 2 project as to being connected with a coal project, and anyone who says it was not connected is simply incorrect. Secondly, Mater said this project would not have garnered her support anyway because it did not meet the requirements of the law. There was no commitment of match from Ambre, no commitment of match from the Port, the new lease required by DSL was not obtained, and the project was not construction-ready. Mater said the question of construction-readiness seems to have no framework for parameters for decision-makers on how you judge a project or don't judge a project. All answers are correct and there are no wrong answers. There is a problem with the protocol of how construction-ready projects are dealt with and it

