

## Meeting Minutes

### Central Oregon Area Commission on Transportation COACT July 8, 2010

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#### Members:

Dennis Luke (Deschutes County), John Hatfield (Jefferson County), Lynn Lundquist (Crook County), Lonny Macy (Confederated Tribes of Warm Springs), Gary Farnsworth (ODOT), Bob Bryant (ODOT), Eileen Stein (City of Sisters), Alan Unger (Deschutes County), Don Greiner (City of La Pine), George Endicott (City of Redmond), Jack Seley (City of Prineville), Gus Burrell (City of Madras), Peg Fisher (Deschutes/Ochoco National Forest), Mike Folkestad (Jefferson County Appointed Stakeholder), Dana Cork (Prineville BLM), and Eli Ashley (Bicycle and Pedestrian).

#### Guests:

Scott Edelman (City of Prineville), Scott Smith (City of Prineville), Joe Bessman (Kittelson & Associates), James Lewis (COIC), Brian Nigg (OTAK), Tom Blust (Deschutes County), Rick Allen (City of La Pine), Chris Doty (City of Redmond), Tyler Deke (Bend MPO), Mike Lovely (BMPO CAC and SBNA), and Nick Arnis (City of Bend).

#### Staff:

Andrew Spreadborough (Central Oregon Intergovernmental Council).

#### Call to Order and Introductions

Chair Dennis Luke called the meeting to order and introductions were made.

#### General Public Comment

Dennis Luke discussed a recent meeting he attended with the County weed master. He suggested that discussion of ODOT policy on weed management along the right-of-way would be a relevant COACT topic for an upcoming meeting. Bob Bryant said there have been many discussions on reducing the use of herbicides and managing weeds in other ways. Commissioner Luke suggested that a general discussion of weed abatement could include the County and BLM.

#### Old Business

George Endicott moved to approve the COACT Minutes of May 13, 2010. The minutes were approved by consensus.

#### ConnectOregon III Update

Dennis Luke discussed the outcomes of the ConnectOregon III Statewide review committee process. He said that the COIC, Madras and Prineville projects ranked high on the recommended project list. He discussed other Region 4 projects, including the Gilliam County Rail Siding project and the Malin airport runway paving project. Both projects were recommended for funding by the Review Committee, but ranked near the funding cutoff line. Commissioner Luke said that these projects are in jeopardy of not being funded due to their ranking position, and suggested a letter of support from COACT be submitted to the Oregon Transportation Commission. He said that the recommended list of projects came in at \$97 million, while the Review Committee had been targeting \$95 million in projects. Since the recommended list came in \$2 million over, the Review Committee recommended

reducing all projects by 2.5% across the board. Commissioner Luke said there is risk that the OTC could choose to fund projects at their full request up to \$95 million, which would mean that both the Gilliam and Malin projects would not be funded.

Lynn Lundquist moved to approve a letter from COACT in support of the Statewide Review Committee recommendations, including funding for the Malin and Gilliam County projects. John Hatfield seconded the motion. The motion was approved by consensus.

Dennis Luke discussed a lesson learned through this process that COACT should keep in mind if there is a round four of the ConnectOregon program: projects within each region are color-coded so that a third of a region's projects are coded as high priority, a third are coded as medium priority, and a third are coded as low priority. This color coding is applied regardless of the strength of a project or how it ranks compared to other regions. He said that this practice penalizes regions with a few quality projects, and rewards regions with a large number of projects, even if they are comparatively weak. He said that regardless of this coding system, the region did well in getting seven out of the nine Region 4 projects on the recommendation list.

Dennis Luke said that he does not know if there will be a ConnectOregon IV program.

### **COACT Needs List Update**

Gary Farnsworth said that he received a number of comments and additions to the COACT Needs List since the last COACT meeting. He said that the review period will continue for two more months, and noted that the list is posted on the COACT page on the COIC website. He said that the list will be brought back to COACT in September for acceptance.

He reviewed the list format and sections. He reviewed the rail crossings addition to the list, noting that the crossings were identified through the Regional Rail Plan. Lynn Lundquist asked if the list was prioritized. Gary replied that the list was not prioritized, though noted that the list shows if projects are already funded.

The group discussed a proposed bike route between Sisters and Redmond. George Endicott asked if the project was on the regional plan approved by Senator Wyden. Eli Ashley said that it was included in the plan.

### **Gas Tax Initiative Update**

Dennis Luke said that the gas tax initiative effort for the November election was withdrawn, although it appears supporters may try to get it on the ballot next year. The gas tax initiative would, if approved, require that any gas tax increase would need to be approved by vote of the people, rather than legislatively. The current version would have been enacted retroactively to include the recent increase. Eileen Stein said that an initiative to repeal the Sisters gas tax may end up on the November ballot.

### **STIP Update/Modernization Funding**

Bob Bryant provided an overview of program funding levels for the upcoming STIP period, noting that projections are for lower revenues. He said that for the 2012-2015 years, there will be a \$0 modernization allocation. He said that Region 4 receives about \$2.5 million per year for modernization projects, historically. He said that in addition to decreased revenues, the impacts of the increased usage of electrical cars is currently unknown; we do not know how fast the shift from gas

autos to electric autos will take place. He said that an allocation off the top of the modernization funding goes to statewide projects of significance; specifically, the Columbia River crossing project. He said that if funding does become available, then projects can be added into the STIP in the modernization category.

He summarized program funding levels for state highway and FHWA. Funding levels are developed around two basic parameters:

- Maintaining current Level of Service (LOS) for DMV, Motor Carrier, and Central Services
- Legislative mandate, OTP, and OTC guidance

He reviewed the STIP budget timeline and process, and described the “traditional method” used to estimate state highway and FHWA revenues

- Apply inflation adjustments and legislative direction to non-capital programs
- Deduct “cost of doing business”–DMV, MCTD, Central Services
- Deduct statutory and federally mandated allocations
- Deduct bond payments
- Allocate capital programs based on legislative direction, OTP, and OTC specific allocations

He then described variations for the current period:

- HB 2001 made revenues available so that the OTC could use the maximum flexibility of federal funds for non-highway modes (“flex” funds) without compromising current commitments
- OTC adopted temporary rule allocating \$24 million of STP funds to non-highway transportation uses
- Legislature provided gas tax funds so that existing highway projects could move forward
- HB 2001, HB 2186, and SB 1059 require planning for non-highway modes (using “flex” funding
- Allocation of “flex” funds requires consideration of funds spent on non-highway modes to paint the entire picture

Bob Bryant reviewed public transit and other non-highway allocations, as well as pass-through agreements. Eileen Stein asked about the process for allocating the \$2 million in non-highway PE funding. Bob replied that the allocation of that funding has already taken place through an internal ODOT process. He then summarized federal “flexible” (STP) fund uses:

- STP Eligible uses
  - Transportation planning and research (i.e. mandates in legislation)
  - Asset Management (data collection)
  - Transportation Enhancement program
  - Bicycle and pedestrian projects
  - Senior and Disabled transit capital purchases
  - General transit capital purchases
  - Carpool projects and park and ride lots
  
- Unlike Stimulus funds, the following are not eligible for Federal Flexible (STP) funds
  - Rail projects
  - Port projects
  - Operating expenditures

- Congestion Mitigation/Air Quality (CMAQ) Funds have some additional flexibility but can only be used in non-air quality attainment areas

He summarized the STP federal flex funds criteria and funding levels. He closed by describing next steps:

- Criteria for Allocating Flex Funds
- Allocation of remaining funds (or hold for future allocation)
- Finalize Program Levels

Bob said that the Oregon Transportation Commission is developing a statewide advisory committee to review how ODOT will look at flexible funds. He noted that a focus will be on reducing greenhouse gas emissions through alternate modes. He said that ODOT will not likely be proceeding as they have by adding capacity; a balance of options will be funded. He talked about intelligent technology and other measures to better move traffic through the system.

George Endicott asked about Bob's statement about construction costs rising. Bob replied that costs for construction are rising, though bid costs are down. He said this is not sustainable; material costs are not variable. Eileen asked if this means there will be no modernization projects. Bob replied that there may be projects moving forward, but there will be no new modernization projects in the STIP. Eileen asked if there will be flex fund allocations available for other modes. Bob said that there would be flex funds, though the process for allocating is under development. Dennis Luke pointed out that the modernization funding challenges are no different than previous years; modernization projects were funded recently due to the stimulus funding infusion.

Rick Allen asked if ODOT would review construction standards as a means to lower project costs. Bob Bryant said that federal standards apply to projects. There has been talk at the federal and state levels about the standards. He said that through HB2001, ODOT must look at 'practical design' as a means to stretch funding further by reducing standards.

Lynn Lundquist asked what are the factors leading to decreasing revenues; how much is the economy, versus usage of high mileage efficiency vehicles or other factors? Bob Bryant said that he is hearing that it is mostly the economy leading to decreasing revenues. Rick Allen asked if there is still interest in developing alternative funding methods (other than the gas tax). Bob replied that ODOT is still comparing a vehicle mile tax to the gas tax. Lynn Lundquist noted that there could be a hybrid funding structure incorporating both methods.

### **TIGER II Grant Program**

Gary Farnsworth said that the stimulus funding supported the first round of the TIGER grant program; the City of Prineville and ODOT submitted a TIGER grant application for the rail freight hub project. That application was unsuccessful. He said that ODOT is continuing to work with the City of Prineville on a TIGER II grant application for a rail project. He estimated that the request will be around \$10 million.

Gary Farnsworth said that the focus for round two of the TIGER program will be on rural non-highway projects. He said \$30 million will be set aside for planning projects. He said that development projects will need to have NEPA complete. He said that he wants to check with COACT members to determine the interest in submitting applications for the second round of TIGER grants. He noted that

the Oregon Transportation Commission is interested in supporting Oregon projects. Nick Arnis said that the City of Bend was considering an application to support a Central Corridor Plan project.

Alan Unger suggested that there should be a regional discussion on the rail hub project. He said that the City of Prineville has been bearing the cost of developing the regional rail hub project, while the project has significant regional benefit. He asked if other communities should be asked to help support the development of the project. Gary Farnsworth mentioned that \$500,000 was allocated for project planning through the STIP.

### **Project Updates**

Dennis Luke asked for an update on the US 97 Bend North Corridor project and ODOT's work with the cities on developing a Highway 97 corridor plan. Bob Bryant said that work is just beginning to determine how funds should be invested in the 97 corridor in Central Oregon in a uniform, coordinated fashion. He said the focus would be regional in scale, as opposed to community-by-community, and would include elements such as land use. The idea is to look at how we invest dollars that come to the region on the 97 corridor. He noted that this will be brought to COACT in the future. David Brandt said that these were initial conversations, and that funding for this planning work would need to be identified.

Bob Bryant said that one question that this process would address is how are we going to continue to move forward regionally in developing our communities, while also trying to maintain a sufficient transportation network. Bob said that this topic is related to the US97 Bend North Corridor project, where ODOT is working with the City of Bend on developing an agreement that would address issues necessary for a land use action to be approved, which would allow the City to re-zone land within Juniper Ridge. Conversations with the City of Bend over the past couple years have focused on how we mitigate impacts on the highway system resulting in development, and how we fund those mitigation efforts over time. The agreement concepts have been developed, and that information will be shared with interested stakeholders, including COACT.

Bob Bryant discussed the Transportation Planning Rule, and implications on projects. He said that due to funding challenges around the state, meeting the requirements around fiscally constrained projects can be difficult; he noted that for a project with phased mitigation plan, there needs to be determination that it is "reasonably likely" that the improvements will be funded over 20 years. In response to this requirement, the City and ODOT identified revenue sources to put toward mitigation, and rather than expecting those investments to be made at the time of need, there would be a phased approach based on a number of peak hour trips which, when reached, would trigger another level of mitigation. He said that this is a different approach to mitigation than is the norm.

Jeff Eager noted that the development of a Transportation Management Area at Juniper Ridge, along with the associated Transportation Demand Management measures, is one method to reduce peak trips. Dennis Luke asked if the Oregon Transportation Commission is agreeable with this approach to mitigation. Bob Bryant said that they are interested in this agreement, and are interested in how design standards affect economic development – how to balance mobility with economic development. Scott Edelman said that the City of Prineville is supportive of ODOT flexibility in approaching proportional share and trigger points for mitigation.

Gary Farnsworth said that the US 97 Lava Butte-South Century Drive project construction is halfway completed. He said that traffic will shift onto the new northbound segment of the highway toward the end of summer. The work on the southbound lanes will take place over the winter. He said the project has been successful. Eli Ashley noted concerns over bike routes during the construction period.

Dennis Luke asked about project costs. Gary said that construction costs are around \$16 million, with the overall project coming in around \$22 million. He noted that this project was ready-to-proceed; engineering was completed up front, which positioned the project for when funding became available. Dennis Luke said that the tour provided to the Board of Commissioners was very valuable; Bob Bryant said that ODOT would welcome interest in tours of the project.

Meeting adjourned at 5:00 PM.