

Meeting Minutes

Central Oregon Area Commission on Transportation COACT September 10, 2009

Members:

Lynn Lundquist (Crook County), Dennis Luke (Deschutes County), John Hatfield (Jefferson County), Lonny Macy (Confederated Tribes of Warm Springs), Peggy Fisher (USFS Deschutes-Ochoco National Forest), Alan Unger (Deschutes County), George Endicott (City of Redmond), Eileen Stein (City of Sisters), Gary Farnsworth (ODOT), Gus Burrell (City of Madras), Lon Kellstrom (City of Sisters), Jeff Eager (City of Bend), Douglas Ward (City of La Pine), Dana Cork (BLM), Bob Bryant (ODOT) and E.V. Smith (City of Culver).

Guests:

Dale Keller (City of Prineville Railway), Dan Lovelady (City of Prineville Railway), John Stilley (BNSF Railway Company), Scott Smith (City of Prineville), Peter Russell (Deschutes County), Tyler Deke (Bend MPO), David Brandt (City of Redmond), Chris Doty (City of Redmond), Luana Damerval, (City of La Pine), Tom Blust (Deschutes County), Joe Bessman (Kittelsohn and Associates), Rex Holloway (ODOT), Casey Bergh (Kittelsohn and Associates), Charles Kettenring (ODOT Rail Division), and Karen Friend (Central Oregon Intergovernmental Council/Cascades East Transit).

Staff:

Andrew Spreadborough (Central Oregon Intergovernmental Council).

Call to Order and Introductions

Chair Lynn Lundquist called the meeting to order and introductions were made.

General Public Comment

Dennis Luke circulated pictures of work under way on the Deschutes Junction project.

Doug Ward said that the City of La Pine has passed a resolution for submission to ODOT stating that the City supports state and federal funding for the US 97 Wickiup Junction Roadway project. Dennis Luke said that the County also supports this resolution. He said that this project would remove the last at-grade rail crossing on US 97.

Old Business

July 9, 2009 Minutes

Dennis Luke moved to approve the minutes of July 9, 2009. George Endicott seconded. Minutes were approved by consensus.

Rail Plan Report, Recommendations

Gary Farnsworth introduced John Stilley of the BNSF Railway Company, and said that John has been meeting with the rail team over the past couple of days. Gary said that the rail team is ready to issue the preliminary rail report. He reviewed the report outline, and noted that the report will be posted

online on the ODOT site and linked from the COIC COACT page. He acknowledged the participation of rail team members.

Gary reviewed the preliminary draft Findings and Recommendations report:

Recommendation Area #1: Relocating BNSF Line to the East of Bend and Redmond – recommending against relocation, primarily for reasons of cost.

Recommendation Area #2: Existing At-Grade Railroad Crossings – identified high priority at-grade crossings for grade separation. Gary reviewed the priority list, which was developed by the rail team. He acknowledged the La Pine resolution in favor of the US97 crossing as a priority of the City. He noted that a design concept is under development.

Bob Bryant said that given the size and importance of the project, ODOT will be pursuing federal funds for this at-grade crossing. He suggested it could be a good candidate for congressional earmark. Dennis Luke noted that at the Wickiup Junction update meeting ODOT staff was directed to get everything ready on the project, but that there was a recent meeting in La Pine where it was stated that ODOT would not be looking for funding until 2012. He asked if there have been changes in the funding approach. Bob said that he wasn't at the meeting, so was unsure about the discussion. He speculated that they could have been saying that earmark funding wouldn't be available prior 2012. He said that the design work is under way, so the project is well positioned for any money that becomes available.

Gary said that the report appendix will include a summary of the process and criteria for ranking at-grade rail crossings. He then reviewed "Implementation Recommendations." He said that these recommendations position the region to pursue opportunities. He said that they want to be deliberate in implementation by assigning leads to each recommendation. Gary noted that the rail team is working on specific goals and objectives for rail crossings, as a target for tangible action outcomes. Charles Kettenring noted that the ODOT rail division has a goal of having all 8 passive rail crossings signalized within the next 2-3 years.

Gary noted that recommendation #9 – Quartz Avenue in Redmond - is a long-standing issue. He said that progress has been made in developing a plan to address the issue. He said that the staff recommendation is to pursue an interim at-grade crossing. Chris Doty said that this road and rail crossing would connect to the airport area.

Recommendation Area #3: Freight Mobility and Rail Service – there is a great potential that freight rail service could be lost in the future in our region, which would severely impact employment, business activity, and the costs of goods.

Dan Lovelady said that the reason we feel like we may lose rail service is that as fuel costs increase more traffic shifts to rail, and so the railroad becomes increasingly congested. The railroad cannot build additional lines, so their goal is to increase velocity. The railroads have determined that having large trains traveling over long distances is the way to be more profitable. Stopping for single customers is becoming a thing of the past. The region needs to identify a consolidation center for aggregating rail traffic. Lacking a centralized rail hub, most rural regions will lose rail service.

Lynn Lundquist asked how long the train would need to be for the railroads to stop in a rural area. Dale Keller said that unit trains for commodity shipments are typically 80 to 100 cars. Presently, numbers are lower in Central Oregon – 16 to 18 cars. The railroad has indicated that it is amenable to smaller numbers if they are aggregated at one stop. Lynn asked about the timeline for the railroad ceasing local service and mandating the centralized hub. John Stilley said that it will depend upon the location. On the Oregon Trunk Line or other major routes, the shift has already started. He said a specific timeline for the Central Oregon line is not know, but the industry is moving that way quickly. Dan Lovelady said that no new local customers are being served by the railroad.

Gary Farnsworth revisited a question posed by Mike Morgan at the July COACT meeting – what would the benefit of centralized hub project for other communities, particularly those located at a distance from the proposed hub? He noted that Madras has an industrial site with trackage, with customers being served. Dan Lovelady said that in the case of Madras – they have a great area, but are not located on a short line railroad. He said that it is important to the region that we have a short line railroad, which provides for local switching. More broadly, a single hub point allows every community to aggregate rail traffic and attract industry. Dale Keller suggested that another way to look at it is that a central hub can be seen as an insurance policy, in case other communities are no longer able to maintain their direct rail service.

Alan Unger asked if the short line railroad and UP/BNSF switching presents an opportunity for Central Oregon to aggregate rail traffic from outside our region. Dan said that access to both class 1 railroads is an advantage for our region. Gary Farnsworth mentioned discussions focused on the BNSF plans for double tracking as a means to increase capacity. He said this could present an opportunity to use their lines for moving rail freight regionally. Dan said that they have approached BNSF requesting access to their rail line to as a method to consolidate, and have been told that BNSF never allows third parties to use their line.

Dennis Luke referred to rail report recommendation #7, and said that we should consider changing the term “shall” to something along the lines of “make every effort” as it relates to local comprehensive plans.

Chris Doty said that the rail study process has been very enlightening. He said that it is alarming that rail access could be going away, and that the message has not been spread around the community. He said we are lucky to have COPR as a foundation for a regional hub. He said that as a team member, he believes that this project should be supported regionally to ensure rail access. Bob Bryant said that it is important that individual jurisdictions to weigh in on this; as we pursue federal funding, it is important to show that this is a priority regionally and is broadly supported.

George Endicott asked what we are seeing in terms of demand for freight service. Dan said that demand has decreased due to the economy. He said that additionally, as individual customers cease rail shipping, the railroad pulls the switch. COPR traffic has gone up slightly, but the region as a whole has seen a reduction. Peter Russell said that there is a study on economic opportunity for rail planned.

Gary said that the last recommendation on the economic opportunities is to investigate grant funding. Federal TIGER stimulus grant funds are being pursued for the Prineville Junction project – \$2 billion is available nationwide through this funding source. He said an application is being assembled, and the

rail team is requesting support from COACT. He said that the Executive Committee submitted a support letter to the Oregon Transportation Commission. The OTC is supporting the project.

Lynn Lundquist asked for a summary of the project scope. Gary said that the project addresses at grade rail crossing challenges on the O'Neill Highway; there are two 90 degree turns, which result in length restrictions. The proposal will provide for container setup and interchanging, development of an intermodal facility, redesign of the O'Neill Highway, a bridge crossing at Highway 97, road improvements, and other benefits for freight mobility and rail access. The cost is about \$60 million, with scalable components. There is also a potential for this project to access ConnectOregon III funding. He said survey work is already under way. Lynn pointed out that the TIGER Grant funding source is intended for large projects like this, with a \$20 million minimum (\$300 million maximum).

Dennis Luke moved approval of a COACT letter in support of this project. George Endicott seconded. The motion was approved by consensus.

Dennis said that Deschutes County supports this project, and suggested that the congressional delegation should be asked for support as well. Lynn Lundquist said that Crook County also supports this project, since this is a regional issue.

George Endicott said that there is not sufficient land owned by the City or County currently for the project, so we would need to acquire additional land. Dale Keller said that the 12 acres currently owned could be part of an incremental project. Bob Bryant said that the Oregon Transportation Commission authorized ODOT to be a co-applicant on this project. He asked the City of Prineville and the Railroad if that would be acceptable and/or their preference. He requested a letter from Prineville if that is their preference.

Recommendation Area #4: Passenger Rail Service – work is under way to study this issue. COIC was awarded a TGM grant for regional public transportation planning which contains a passenger rail analysis component.

Gary Farnsworth said that the draft rail plan will be completed and circulated over the next month or so. He thanked John Stilley for his participation in this discussion.

Updates on 2009 Legislative Outcomes (Jobs & Transportation Act)

Gary Farnsworth asked if COACT members have any information on the possibility that the funding package could be referred to the voters. Lynn Lundquist said that he does not think it will be referred. George Endicott agreed that it will not be referred.

Gary Farnsworth went through a powerpoint presentation on the Jobs and Transportation Act. He said that the presentation will be available for download via the COACT web site, and offered that ODOT staff can present the information to jurisdictions if requested. George Endicott asked for an explanation of any links between the Jobs and Transportation Act and the Transportation Planning Rule legislation – HB3379. Bob Bryant said that they are separate bills; but there are linkages in bringing forward recommendations to stakeholders.

New Business

ConnectOregon III Process and Timeline

Gary Farnsworth referred to the Attachment C background summary and ConnectOregon III timeline. He said that the only change from the ConnectOregon II process was that 5% of the funds were set aside for rural airport projects. As per the last round, 10% of the funds will be allocated to each ODOT region (\$10 million), with the remainder of the funds open for statewide competition. Applications are due November 20. Dennis Luke suggested that a COACT technical advisory committee meeting be scheduled as a means to identify and review proposed projects.

Dan Lovelady said that ConnectOregon applicants must provide a 20% project match, which can be a barrier. Chris Doty said that the City of Redmond will be partnering with the Cascades East Transit/COIC to apply for ConnectOregon III funds for a transit maintenance facility. George Endicott pointed out that the ridership on Cascades East Transit is increasing rapidly.

Draft 2010-2013 Statewide Transportation Improvement Program (STIP)

Gary Farnsworth said that ODOT is entering the STIP cycle, and the November COACT meeting will include public comment for the draft STIP. A draft is available currently, but will change due to ARRA and JTA funding. We may not have “off the cliff” reductions, but we will still see funding cuts due to debt payment and earmarks. Gary distributed a STIP handout, and summarized the current modernization program draft. He said the estimated amount for the modernization program will be \$2.3 million per year for Region 4.

Bob Bryant said that the draft represents an accumulation of projects from lists assembled over time. This is not a complete list; he asked that COACT members let him know if anything is missing – projects can be added. However, the current list includes project costs that exceed funding available, so help will also be needed in identifying priorities. Gary said that this discussion item can be added to the TAC meeting agenda.

Regional Updates

Local Gas Tax Update

George Endicott said that the Redmond City Council passed an ordinance implementing a gas tax effective January 1, 2011. He said the Council heard three things: some are for it, some are OK with it but who feel it is the wrong time, and some are against taxes. He said the Council focused on the satisfying the first two groups, and that the delay in implementation until 2011 increased support. He said that Chris Doty did a great job of documenting the need and identifying the amounts needed. He estimated that it was 50-50 in terms of support, so the Council approved. The group discussed possibility of referral and legal interpretations of enacting the ordinance.

Lon Kellstrom said that the City of Sisters recently completed an analysis of 42 lane miles of streets and their conditions. The costs for the needed repairs justified the approval of a 3 cent gas tax. He said that they considered a maintenance or utility fee, but determine that the tax would be more appropriate because it can be collected from visitors as well as residents. He said that they estimate that residents would only pay approximately 20% of the tax. He said that the Council understands that it will be on the March ballot for vote.

Gus Burril said that the City of Madras passed a gas tax ordinance in August. He said it will be referred to voters in March. He said that the tax will begin at 1 cent, and increase to 2 cents in July, 2011, and then 3 cents in July, 2012. He said that the Council is considering System Development Charge offsets, to balance the tax increase. He said that the City conducted a review of their road system and found 10 miles of unpaved roads, and another 75 to 80 miles of road with insufficient base. He said that re-surfacing and adding base is needed. He said the City has a \$20 million backlog of maintenance, and they forecast the need for \$50 million in improvements moving forward.

Dennis Luke said that a ribbon cutting event for the Deschutes Junction project will be scheduled toward the end of October, and he welcomed COACT members to attend.

Meeting adjourned at 5:00.