

## Meeting Minutes

### Central Oregon Area Commission on Transportation COACT January 8, 2009

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#### **Members:**

Lynn Lundquist (Crook County), Dennis Luke (Deschutes County), John Hatfield (Jefferson County), Lonny Macy (Confederated Tribes of Warm Springs), Peggy Fisher (Deschutes National Forest), Dana Cork (BLM), Gus Burril (City of Madras), Wayne Van Matre (City of Prineville), Alan Unger (Deschutes County), Mike Morgan (City of Madras), Jeff Monson (Commute Options), Gus Burril (City of Madras), George Endicott (City of Redmond), Lon Kellstrom (City of Sisters), Eileen Stein (City of Sisters), Ty Merrill (City of Culver), Bob Bryant (ODOT), and Gary Farnsworth (ODOT).

#### **Guests:**

Scott Edelman, Jerry Brummer, Scott Smith (City of Prineville); Tyler Deke (Bend MPO); Jim Bryant, Stephanie Serpico and Darrell Newton (ODOT); Bill Wagner (Bend MPO/CAC); John McLeod (COIC Board); Chris Doty (City of Redmond); Eric Porter (City of Sisters); Nick Arnis (City of Bend); Mike Lovely (Bend MPO CAC & SBNA); Mike Schmidt (BMPO/CAC/COIC Board); Jody Stills (Crook County); Dennis Tooley (State Representative Gene Whisnant); Rick Root (City of Bend); John Baker (ODOT Office of Director); George Fekaris (FHWA – Western Federal Lands); Pat Fisher (ODOT Local Government Section); and Tom Blust (Deschutes County).

#### **Staff:**

Andrew Spreadborough and Kelly Elzner (Central Oregon Intergovernmental Council).

#### **Call to Order and Introductions**

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

#### **General Public Comments**

No public comment was presented.

#### **Old Business**

##### Meeting Minutes

**Commissioner Luke moved to approve the minutes of November 13, 2008. Mike Morgan seconded. Minutes were approved by consensus.**

Chair Lundquist said that the COACT Executive Committee agreed that today's meeting should be focused on the state and federal funding systems for transportation. Today's meeting will provide an overview of transportation funding opportunities.

#### **Federal and State Transportation Funding Overview**

Overview of Earmarks & Economic Stimulus, Governor's proposed "Jobs & Transportation Act"

Gary Farnsworth distributed a handout summarizing federal funding programs. Commissioner Luke requested that meeting handouts be posted on the COACT website.

Bob Bryant explained that the Governor has released his proposed Jobs and Transportation Act of 2009, and that the legislature will take it up next week. He said that the federal highway bill will run out this year, so congress will be taking up a new highway bill this year. Additionally, the federal stimulus bill is expected to be approved, which will include transportation funding.

Mr. Bryant said that the federal highway bill runs out in 2009. The Highway Trust Fund, which is where gas taxes and other funds are collected and redistributed across the state, went into the red last year and has been depleted. Funding the system at the same level as in the past will require more funding sources. Costs escalated last year and resources are declining, since people are driving less with the higher gas prices. The result is that projects have been either cut or significantly scaled back. We are in a maintenance and prevention mode.

Mr. Bryant said that the Economic Stimulus Package will be considered under the new administration, and it will include funding for transportation projects. It is unclear how funding will work between federal, state and local agencies. These will be federal funds, so all federal requirements will apply. So projects that need environmental work or right-of-way acquisition will not fit. Projects will need to be online quickly. The funds will supplement current funding, not supplant. Due to the timeline, the OTC has determined that there will not be much public process or review on the economic stimulus funded projects.

Mr. Bryant said that the federal highway bill is typically a six-year funding bill. It was last re-authorized in 2005, and runs out in 2009. He then discussed the Governor's transportation package, and said that draft bills are under development. He said that the Governor has proposed a \$499 million annual increase in funding, through increased registration fees, title fees and a temporary \$.02 per gallon gas tax increase. The legislature is discussing a transition from the gas tax to a vehicle mile tax. Oregon had a pilot project that studied the vehicle mile tax concept. A portion of the state funding will be directed to cities and counties. Transit and rail funding is included. A Connect Oregon III element is also included.

Commissioner Luke noted that Mr. Bryant said that there would not be an opportunity for public input on the stimulus projects. He asked who would make the funding decisions. Mr. Bryant said that a local committee (OLPC) will work on the project list. The AOC and LOC will be involved. At the state level, Doug Tindall will make the decisions. Commissioner Luke said that he hopes that the decisions will be looked at regionally, so each region receives a portion of the funding.

George Endicott said that he heard from Senator Wyden's staff that a portion of the stimulus funding will be used for economic development. He asked how the transportation funding fits in. Mr. Bryant said that economic development does not fit well, unless there is a "shelf-ready" project with an economic element. Mr. Bryant stressed the 120 day target for use of stimulus funds, and that it is difficult to address the highest priorities given the time frame. Eileen Stein asked about the relationship between the stimulus funding and SDCs, and if stimulus funds could be used on projects where SDC funds are available or allocated. Mr. Bryant said that this approach would seem to be contrary to the "not to supplant" language. John Baker said that there is no congressional direction on this issue yet. He said that there are many other unknowns, including the allocation formula and

obligation deadlines. Commissioner Lundquist said that with 36 counties sharing about \$60 million in stimulus funding, the dollars become watered down quickly.

Federal Earmark Programs – guidelines and recommendations on policies, Process and Expectations

Gary Farnsworth introduced John Baker, Transportation Economist, and Pat Fisher, Transportation Enhancement Program, and explained that they will provide an overview of funding programs. Mr. Baker distributed a handout of federal funding programs, state programs, and local revenue sources. He discussed federal allocation rates (50% state, 30% counties, 20% cities), and said that the ODOT position is that any funds approved for transportation projects will follow that breakdown. He said that \$500 million per year comes to the state under the federal surface transportation bill – Safetea-Lu, which will expire on September 30, 2009. He said that there are 108 funding programs on the highway side, and discussed the process for appropriation of funds.

Bob Bryant asked Mr. Baker to distinguish between programs that are apportioned by formula and those that are competitive. Mr. Baker said that the programs listed on the handout with an asterisk are discretionary – and that states or local governments can apply for funds.

Mr. Baker explained that the Surface Transportation Program (STP) requires 10% of the funds be set aside for transportation enhancements. It also requires that a certain amount of the funds be made available to areas below 5,000 in population.

John Hatfield asked if the county/city allocations of funding must be used on the state highway. Mr. Baker said that only the state portion of funding is required to be used on state highways. Dennis Luke said that local dollars in some cases contribute to projects on the state system. He suggested that Mr. Baker consider reflecting this within his chart. Bob Bryant said that the materials only reflect state and federal funding received through normal sources. He said that as revenues decrease, there is more reliance on private contributions to fund improvements. He said this also should be considered when thinking about funding.

Forest Highway Program Long Range Plan & Projects

Pat Fisher distributed a handout, which contained an excerpt from the LAG Manual. She explained that there is a link to each listed programs that explains the purpose, description, eligible projects, funding, match requirements, project selection process and significant dates. There are even links to the statutes that apply to each one of the programs and who the decision makers are and contact information for further information. Gary Farnsworth said that Darrell Newton is the point of contact for additional information.

Ms. Fisher provided a summary of the Transportation Enhancement program. She explained that state allocations are determined by formula, with the states deciding how they want to distribute their Transportation Enhancement funds. A total of \$8.5 million per year is available in Oregon, with \$2 million allocated to immediate opportunities. Most of the funds are available on a two-year cycle, with a statewide competitive process. Ms. Fisher said that in this last cycle there were 91 project proposals which led to 31 finalists, of which 13 projects have ended up on the recommend to fund list. There is also a list with four alternate projects. Types of projects funded include bicycle, pedestrian, historic preservation, scenic/beautification and environmental mitigation.

Ty Merrell referred to the COACT needs list and asked why projects have not been funded. Bob Bryant said that the needs are greater than the funding available. Dennis Luke said that the value of the list is to demonstrate the need and to advocate for more funding.

George Fekaris distributed the Forest Lands Highway packet and provided a detailed overview on the current activities in regard to the specific Federal Lands Highway Department and its programs. He explained that this program is a very unique in that it is jointly administered with the US Forest Service and state highway departments.

He explained that Oregon has the largest Forest Highway program in the nation and receives about \$20 million per year. He said that there are about 200 routes in Oregon that are eligible for funding. The intent of the program is to connect the forests to the state highway system. Projects are typically located on rural, low volume roads that access forests. He said that they are in the process of designating 15 new forest highways. Skyliners Road in Bend was recently designated, and is eligible to receive funding. Mr. Fekaris further explained that last January there was a call for projects proposals for new forest highway projects. There were 22 project proposals received; the proposals are under review to see if they fit the criteria for funding consideration.

Mr. Fekaris requested that COACT review and make comment on the two Central Oregon projects that are under consideration: the Skyliners Road project and the US97 Lava Butte – South Century Drive project. He requested that comments be made by the end of February. He also said that a long range transportation plan is under development, and he'd like to come back in March to present the plan for comments.

#### COACT Needs List

Gary Farnsworth referred to the COACT Needs List, and said that he will be bringing an updated needs list to COACT at its March meeting. He will meet with the COACT TAC for input on the list between now and the March meeting.

Bob Bryant said that the State Transportation Improvement Plan (STIP) update has been deferred because of funding challenges. This provides a good opportunity for COACT to review and update the needs list. He announced that Joel McCarroll is participating in a fellowship through ASHTO in Washington DC.

Chair Lundquist said that with the legislative session coming up, he hopes COACT will come together to work in support of the state legislative funding package. He said that he would like the Executive Committee to discuss and determine how COACT can discuss our region's concerns and needs with our legislators.

#### Adjourn

Meeting adjourned at 5:00 p.m.