

The Oregon Highway Plan in Brief

January 1999

The Oregon Highway Plan sets long-range policy and investment strategies for the state highway system. The Plan will guide the way ODOT develops, manages and invests in the state system for the next 20 years.

Planning Process

Begun about two years ago, the Highway Plan process has relied on extensive input from internal and external stakeholders and the general public. Four policy advisory committees developed the basic policies, and a steering committee reviewed and directed the policies and investment strategies. Members represented regional and central ODOT staff, federal and state agencies, the MPOs, cities, counties, businesses, interest groups and environmental organizations.

Review of the policies in the spring and review of the investment strategies in the fall involved 33 public meetings throughout the state, 6 regional workshops for local government officials sponsored by AOC/LOC, and over 35 meetings with governmental organizations and other business and professional groups. This week the Public Hearing Draft of the Plan is being mailed out in preparation for the public hearing on January 20.

Steven Corey, a Commission member and chairman of the Highway Plan Steering Committee, will conduct the hearing on Wednesday, January 20, at 1:00 p.m. in Room 122, the Transportation Building, 355 Capitol St., Salem. The Transportation Commission will be asked to adopt the plan at its February meeting.

Policy Direction

The Highway Plan focuses on making the highway system safer and more efficient. Its policies

- link land use and transportation;
- recognize the importance of freight movements;
- add capacity through better management, alternative modes of transportation, and off-system improvements before adding major improvements;
- recognize the importance of partnerships with other agencies, local governments and the private sector;
- support the use of Intelligent Transportation Systems to improve safety, capacity and communication;
- broaden the spectrum of types of safety improvements, but focus the safety program on the most hazardous locations of serious injury and fatality crashes;
- provide standards for driveway/road spacing, access in interchange areas, and highway medians and a process for resolving proposed deviations from the standards;
- recognize the importance of alternative modes and transportation demand management in improving highway performance;
- recognize scenic byways and the scenic resources of the highway system; and
- recognize the environmental responsibilities associated with the highway system.

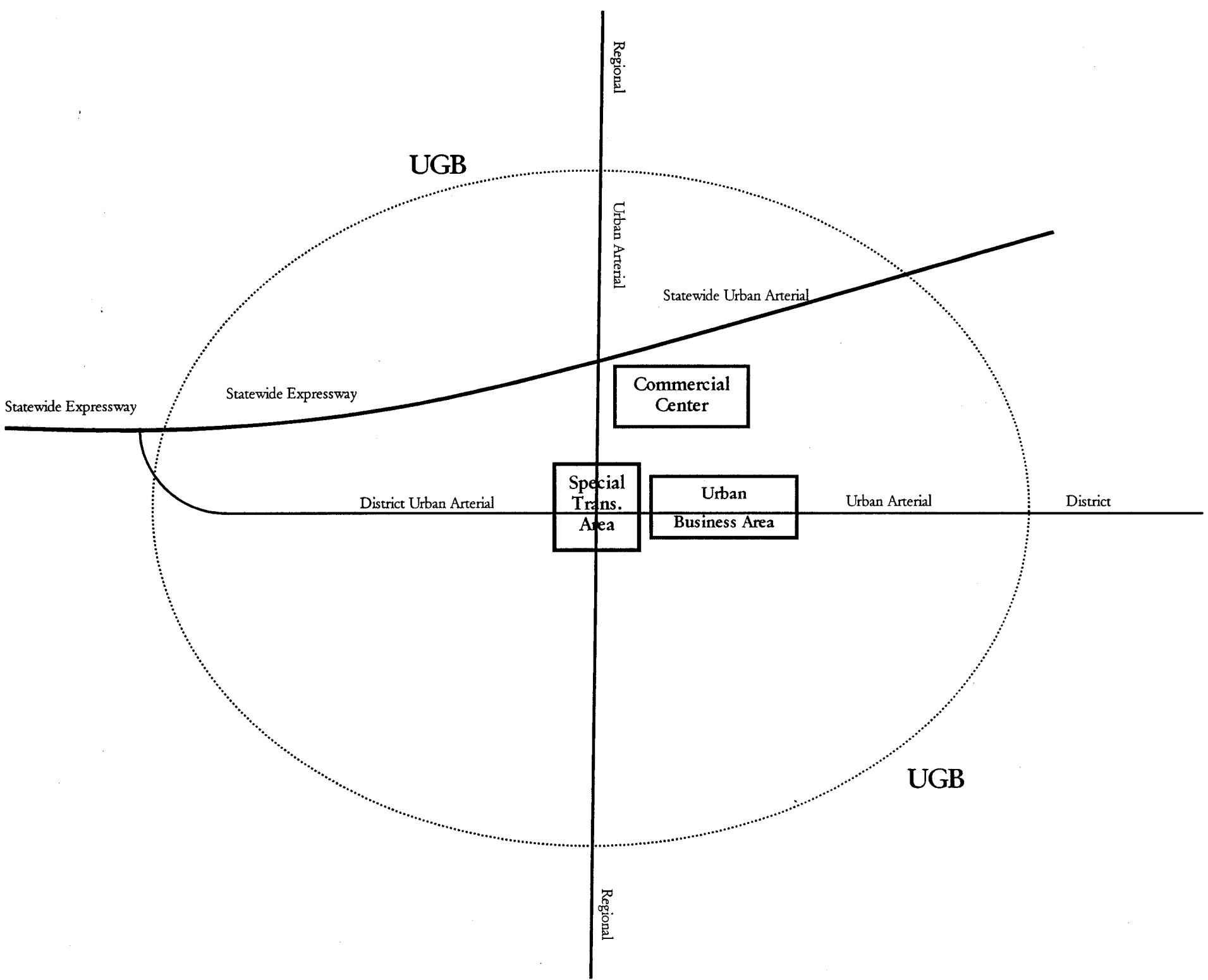
Changes to the Oregon Highway Plan Since Public Review Draft One January 1999

Changes in Emphasis

- Greater emphasis on working cooperatively with local governments
- Greater flexibility in standards
- Greater emphasis on investments in critical safety and capacity-adding projects

Major Changes

- Land Use/Transportation Policy
 - Incorporated “Strategy for Integrating Land Use and Transportation”
 - Added actions to work with local governments to protect state highway functions by collaborating on land use and subdivision ordinances, developing access management plans, limiting expansion of development along the highway, and protecting limited access interchanges.
 - Dropped concepts of “developed,” “urbanizable lands,” and “urban fringe areas” and added designations for “expressways,” “urban arterials,” “commercial centers,” and “urban business area” and a process for designating them.
- State Highway Freight System Policy
 - Added actions to provide for a statewide freight study, and work with local government to examine options to treat designated freight routes as expressways and to balance freight need with needs for local circulation safety and access in Special Transportation Areas. In investment policies, specified that designated freight routes should receive thicker pavements.
- Level of Service Standards (now Highway Mobility Standards)
 - Changed Highway Mobility Standards to recognize congestion realities.
 - Added standards to intersections and freeway interchanges and ramps.
 - Added methods and conditions for allowing alternative mobility standards.
- Access Management Policies
 - Established spacing standards.
 - Added signal spacing standards.
 - Added policies for deviations and appeals.
 - Delayed detailed procedural standards for rulemaking.
- Investment Strategies



Regional

UGB

Urban Arterial

Statewide Urban Arterial

Statewide Expressway

Statewide Expressway

Commercial Center

Special Trans. Area

Urban Business Area

District Urban Arterial

Urban Arterial

District

UGB

Regional

**PUBLIC HEARING
OREGON HIGHWAY PLAN**

**Wednesday, January 20, 1999
1:00 – 4:00 p.m.
Room 122, Transportation Building
355 Capitol Street, NE
Salem, Oregon**

Steven Corey, chairman of the Oregon Highway Plan Steering Committee and member of the Oregon Transportation Commission, and other Transportation Commissioners will conduct a public hearing on the Oregon Highway Plan (Public Hearing Draft) on Wednesday, January 20 at 1:00 p.m. The Commission is interested in hearing comments and concerns about policies, actions and investment strategies being proposed in the draft plan.

You may submit comments in writing or orally at the public hearing. If you do not plan to attend the hearing, submit written comments by 12:00 noon on January 20 to Kim Jordan, Planning Section, Oregon Department of Transportation, 555 13th St., Suite 2, Salem, OR 97301-4178.

If you plan to attend the hearing, the Commission encourages you to submit written testimony in addition to or instead of oral testimony in the event there is not time to hear everyone who wishes to speak. At the hearing, please give the hearing assistant 15 copies of the written materials for the Commission and staff.

Please sign up to testify as you enter the hearing room and limit your oral comments to 10 minutes. The Commission will establish the order of testimony and does not allow yielding of time to another person.

The Commission will give staff direction to respond to the written and oral comments at their regular Commission meeting on Thursday, January 21. Staff will revise the draft and ask the Commission to adopt the revised plan at the Commission meeting on Wednesday, February 17.

If you would like additional information, contact Carolyn Gassaway, Highway Plan Manager, at 503-986-4224; or FAX to 503-986-4174; or e-mail at carolyn.h.gassaway@state.or.us.



METRO

DATE: January 6, 1999

TO: JPACT

FROM: *AC* Andy Cotugno, Transportation Director

SUBJECT: RTP Finance: Road-Related Component

Over the past several years, JPACT has reviewed major milestones for an update to the *Regional Transportation Plan* (RTP) to be consistent with the 2040 Growth Concept. To date, the committee has reviewed and provided input on the policy framework Draft of a "Preferred" and "Strategic" set of transportation improvements, an evaluation of the effectiveness of the Draft 1 "Preferred" and "Strategic" systems and an initial comparison of costs vs. revenues of the "Preferred" and "Strategic" systems. We are now at the point of finalizing improvements to include in the "Strategic" RTP based upon what is considered affordable and generally how to approach funding the system. At this meeting, I propose to review funding implications of the road-related parts of the RTP. At the following meeting, I propose to review the funding implications of the transit parts of the RTP. In addition, we are now in the process of defining the improvements to the road and transit system that are fundable within existing resources and the resulting performance of such an underfunded system.

As you can see, road-related revenue is severely impacted by a state gas tax that represents a declining revenue source because it does not increase with inflation and because it declines with improvements to fuel efficiency. The information shows a significant increase in funding is necessary if the region desires to fund the strategic improvements that have been identified to keep pace with growth over the next 20 years.

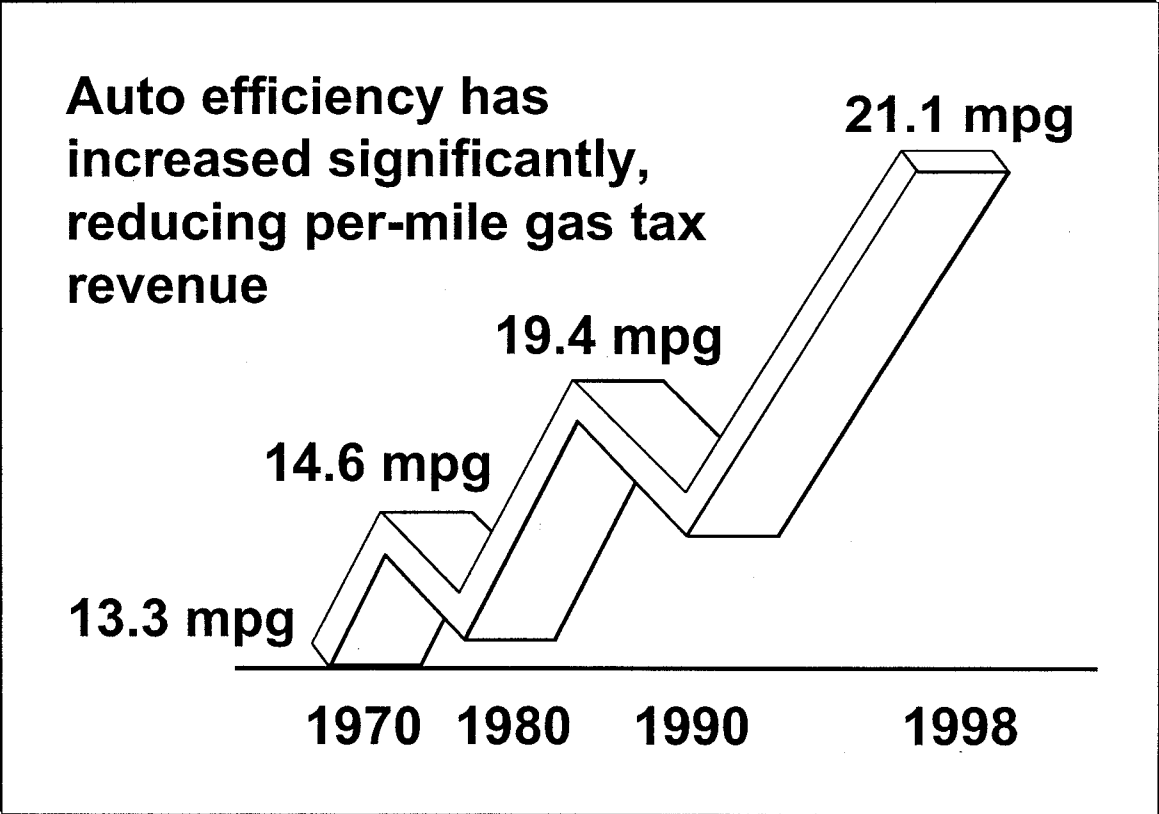
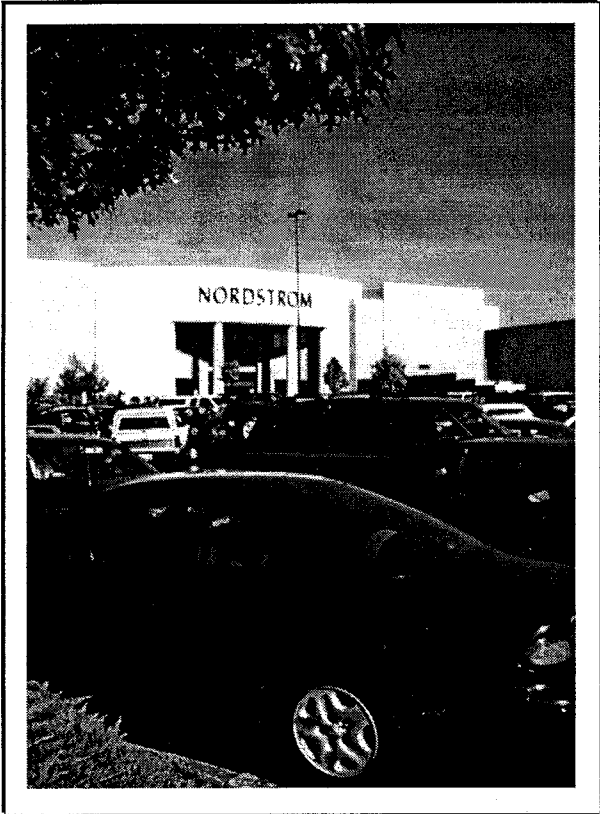
To address the funding gap identified in the attached handout, I propose that JPACT begin discussion of the following trade-offs:

- Raise funds to fully implement the "Strategic" RTP versus downsize the "Strategic" RTP to a level considered fundable
- Downsize funding of operations, maintenance and preservation to increase funding available for the modernization component of the "Strategic" RTP
- Exerminate the mix to fund the Modernization component of the "Strategic" RTP through:
 - broad-based user fees (e.g., gas tax);
 - narrow-based user fees (e.g., tolls); and/or
 - development-related fees (e.g., TIFs, SDCs).

ACC:lmk
Attachments

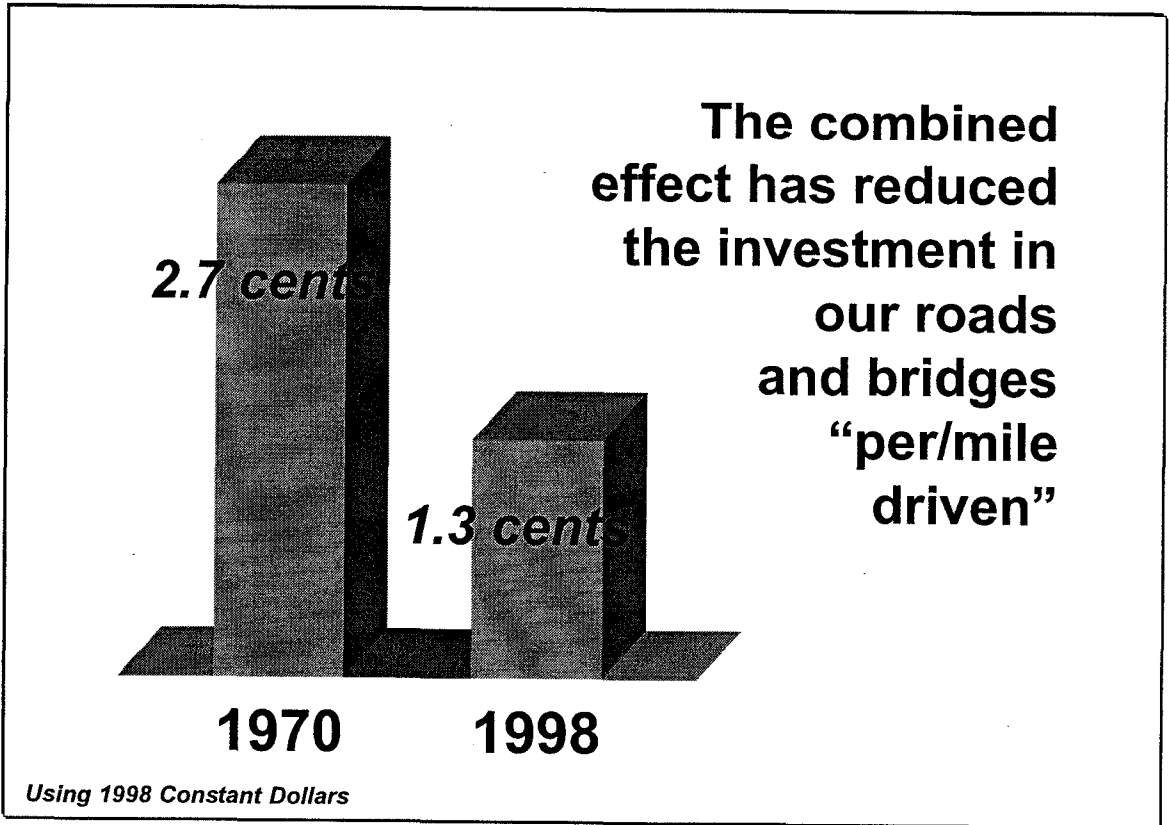
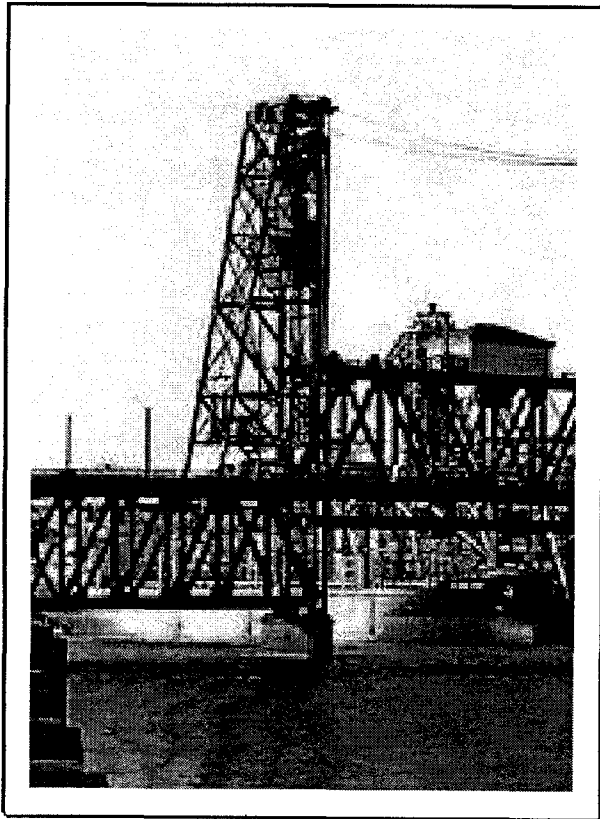
Getting There: Funding the Gap

Auto Efficiency and Revenue



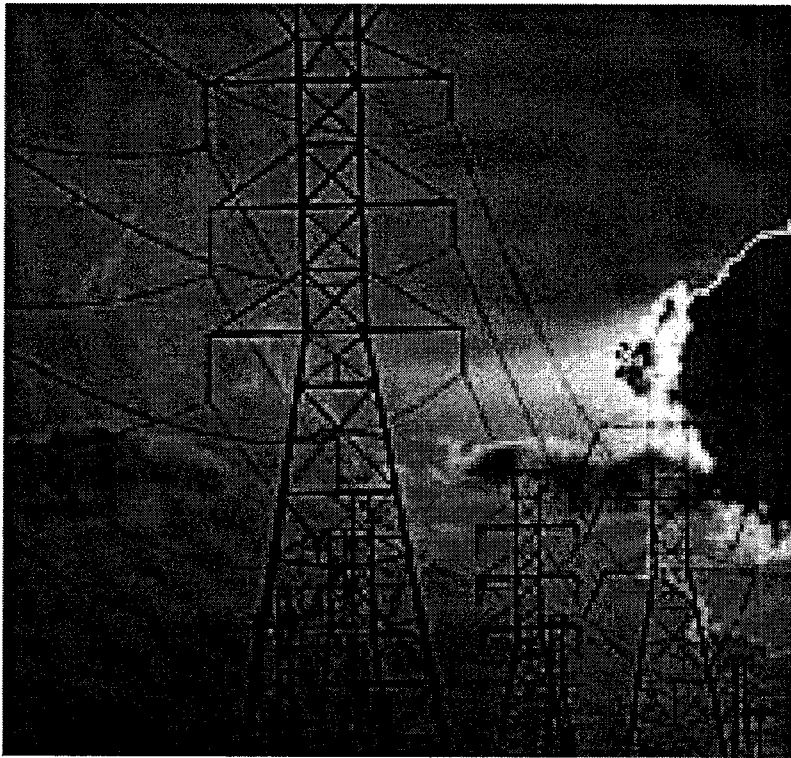
Getting There: Funding the Gap

Effect of Fuel Efficiency on Funding



Getting There: Funding the Gap

Comparative Utility Costs



Average Costs Per Month Per Household

■ Electricity	\$61.50
■ Water & sewer	\$45.70
■ 2-zone bus pass	\$39.00
■ Natural gas	\$37.55
■ Cable TV	\$29.40
■ Local phone	\$25.00
■ Trash pickup	\$17.50
■ Road use taxes	\$26.12

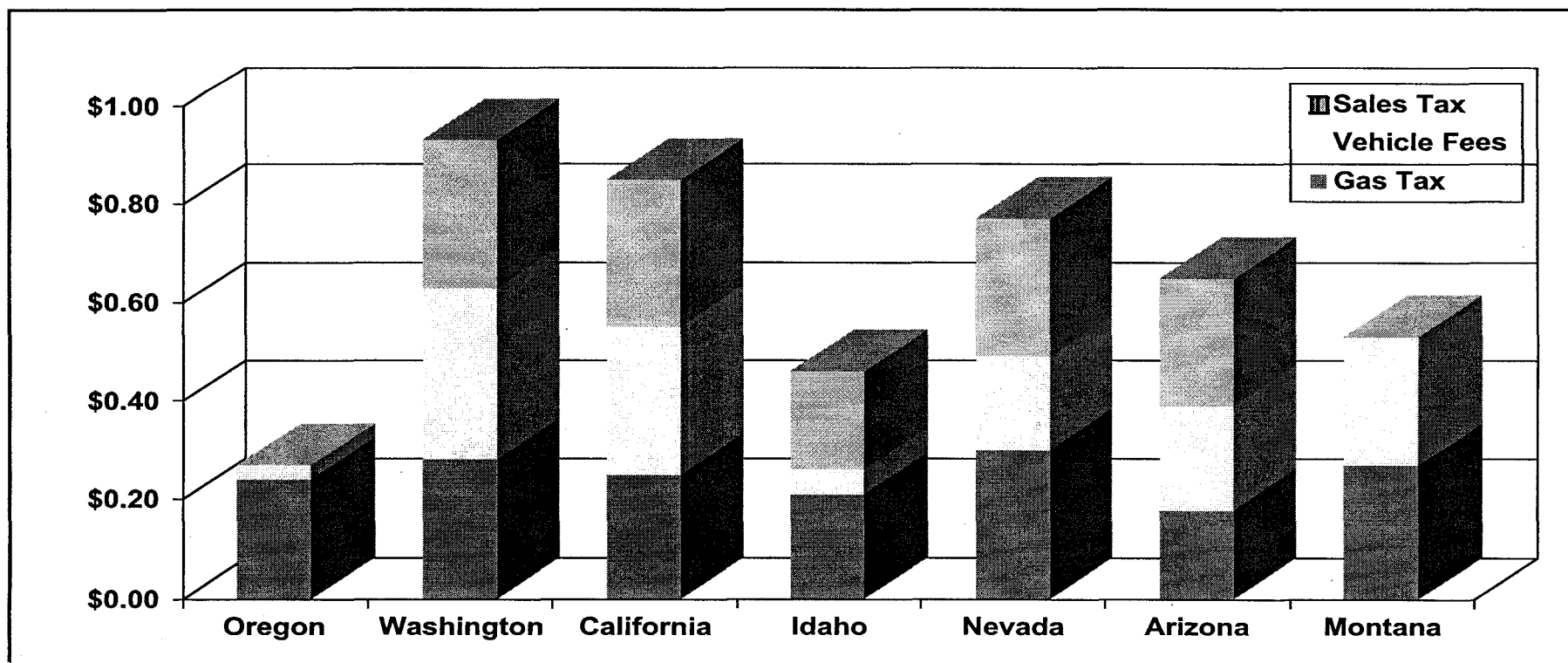
Portland metro area averages

Metro 1998

Getting There: Funding the Gap

Oregon Auto Taxes Among Lowest in Nation

Comparison in Gas Tax Equivalent

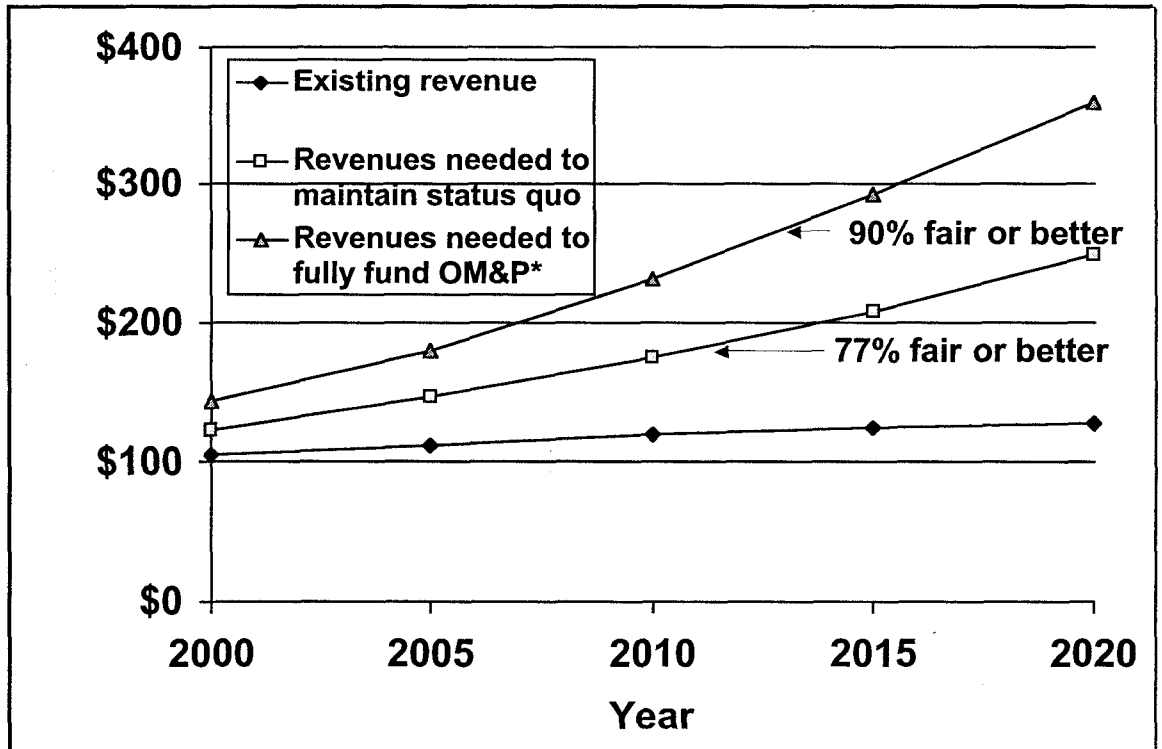


Getting There: Funding the Gap

City and County Operations, Maintenance and Preservation Costs

- Improved pavement quality is 67% unfunded by 2020

- Status quo pavement quality is 50% unfunded by 2020

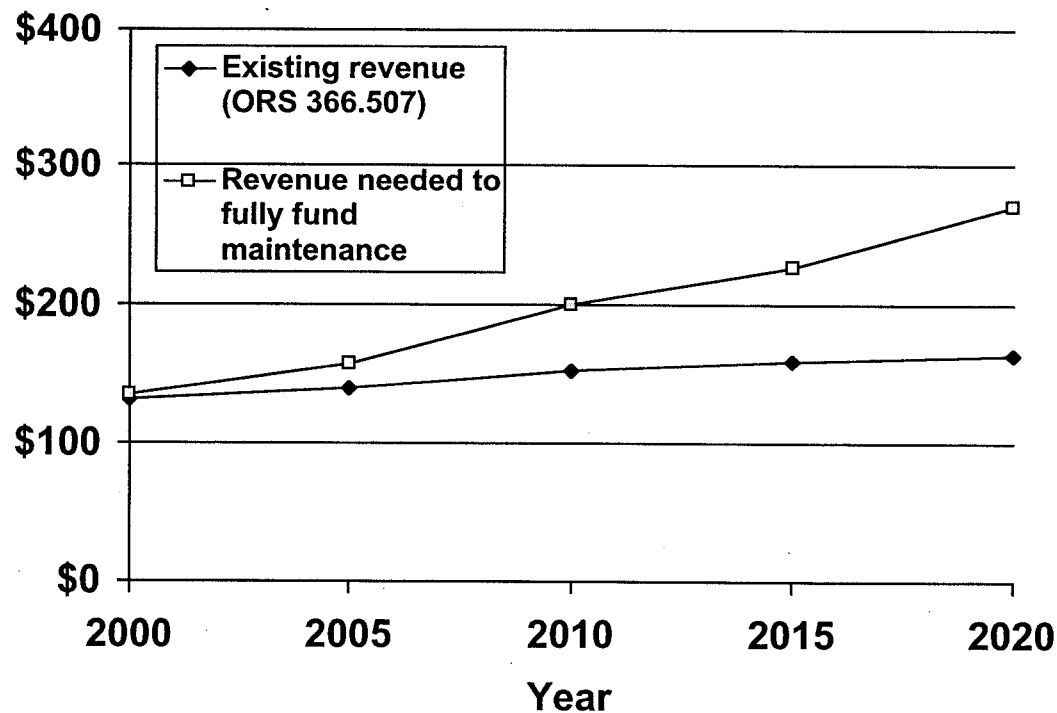


*excludes Willamette River Bridge rehabilitation

Getting There: Funding the Gap

State Operations, Maintenance and Preservation Costs

■ Represents a 40% shortfall by the year 2020



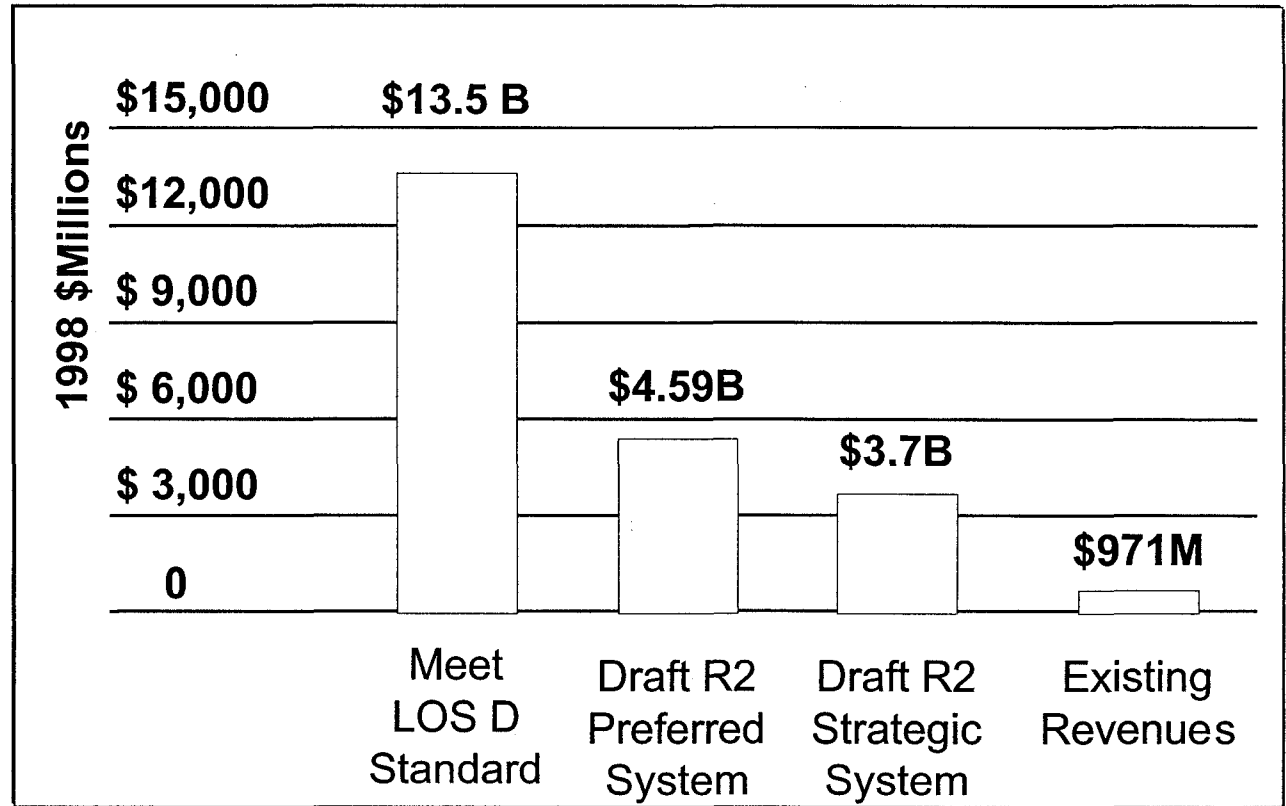
for Metro region state highways

Metro 1998

Getting There: Funding the Gap

2020 Road-Related Costs

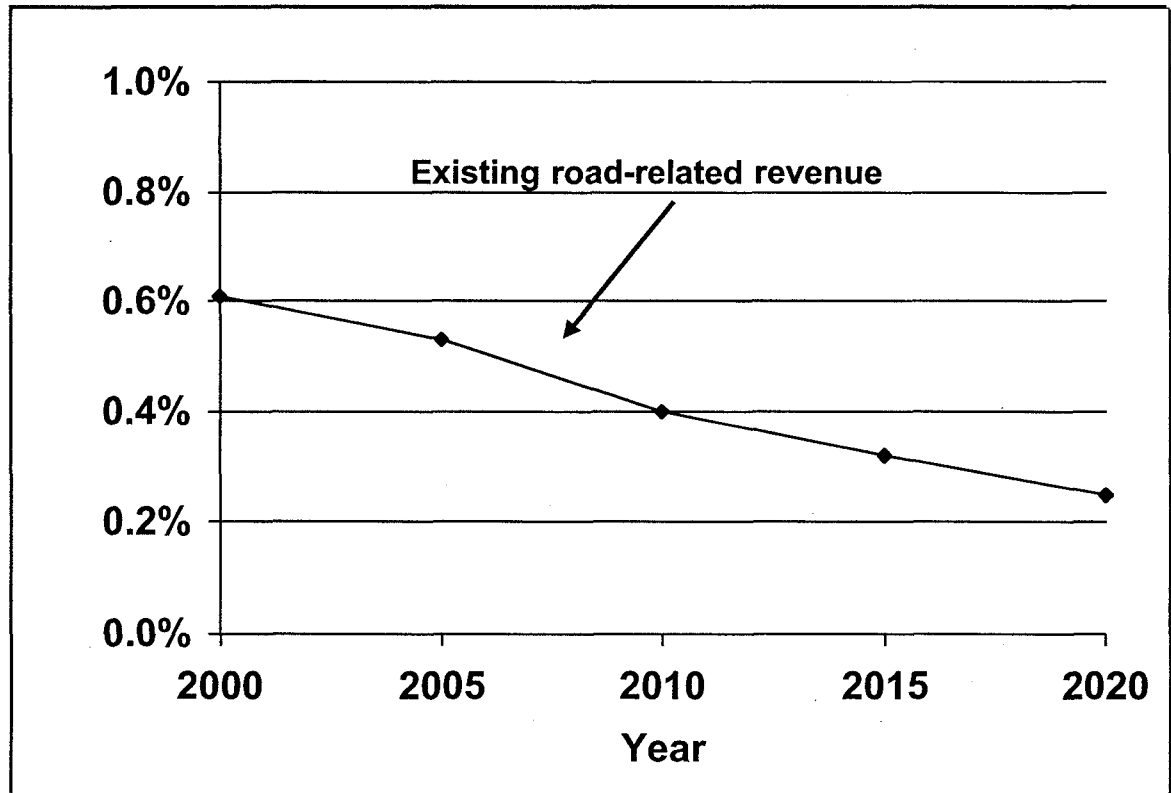
- The strategic system is less than 1/3 funded by current revenue sources



Getting There: Funding the Gap

Road-Related Funding: Reduced Share of Personal Income

- 58% tax cut as income grows
- Road, highway, bicycle and pedestrian improvements 2/3 unfunded
- Pavement conditions continue to deteriorate



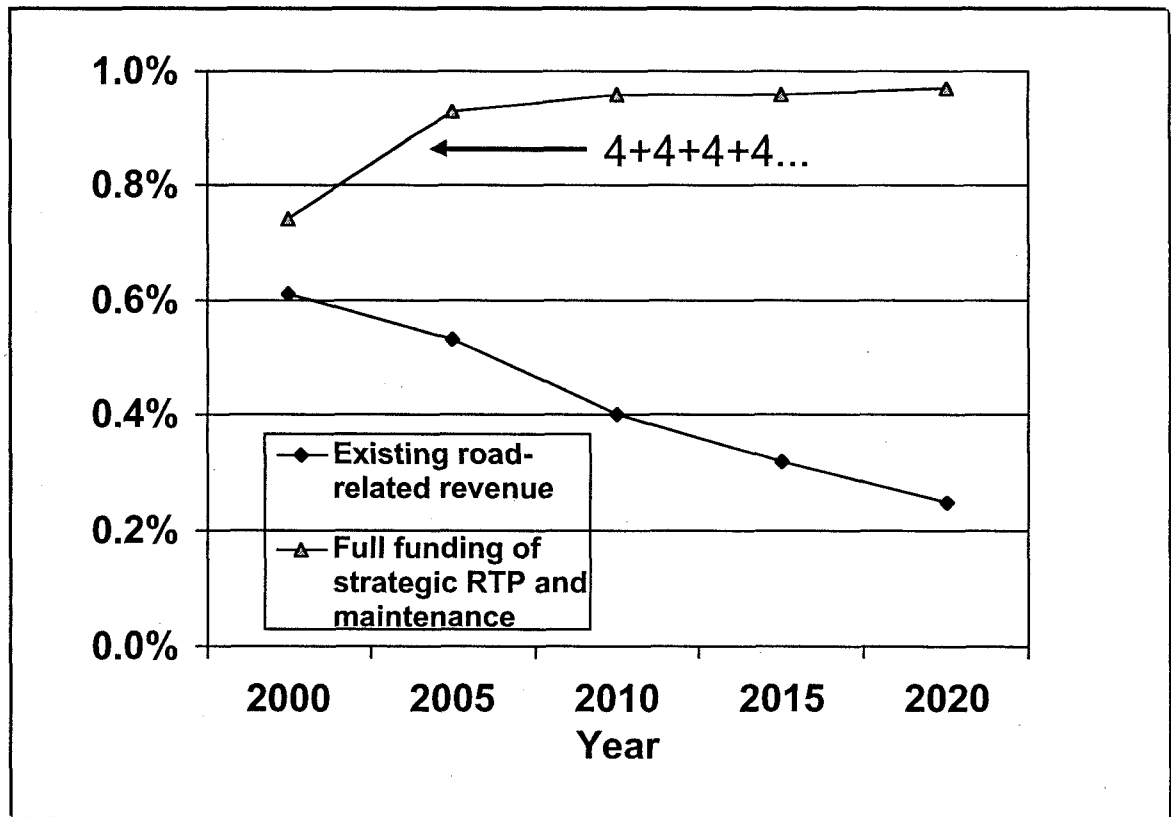
**includes Washington, Clackamas and Multnomah counties*

Metro 1998

Getting There: Funding the Gap

Funding The Region's Road Needs

- 53% increase in revenue from status quo
- Fully funds strategic RTP
- Fully funds maintenance and preservation

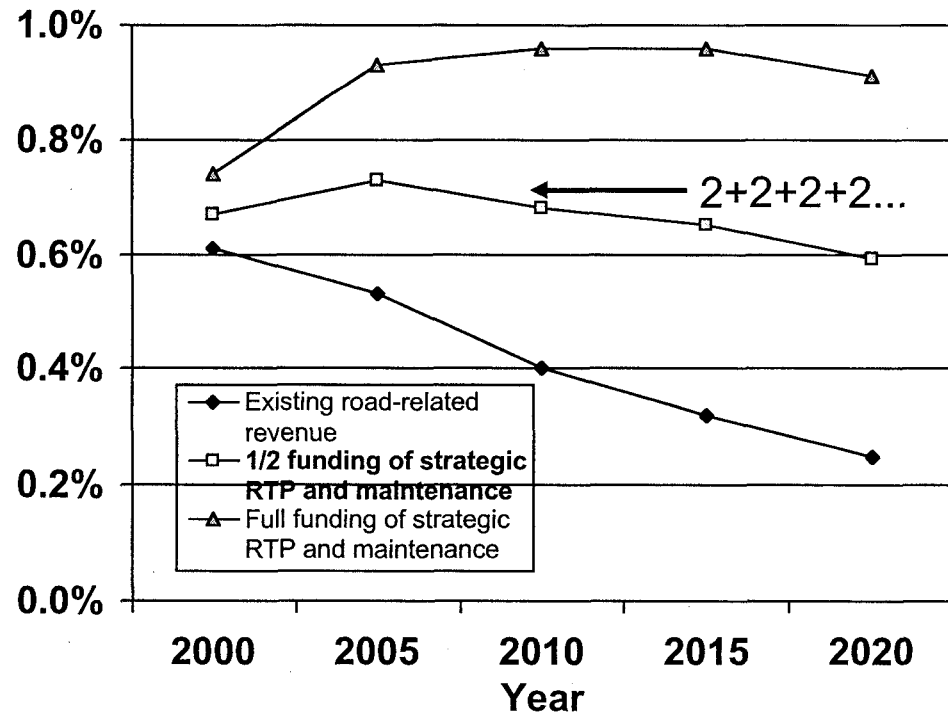


**includes Washington, Clackamas and Multnomah counties*

Getting There: Funding the Gap

Keeping Pace With the Region's Road Needs

- Revenues keep pace with growing incomes
- Maintains status quo pavement conditions
- Funds half of strategic RTP



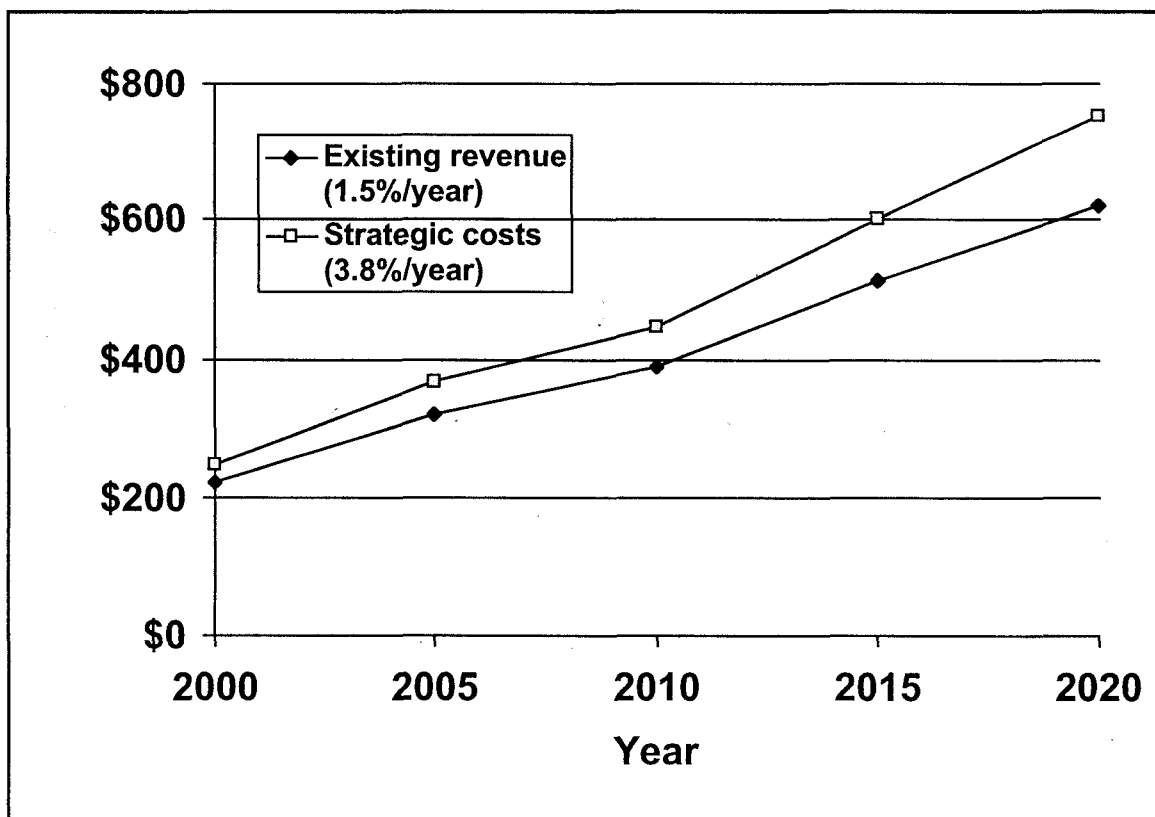
*includes Washington, Clackamas and Multnomah counties

Metro 1998

Getting There: Funding the Gap

2020 Transit Costs

- Represents a 10-20% gap between needs and costs
- Does not include major transit capital expansion which is subject to voter approval



includes transit operating and routine capital expansion costs

Metro 1998

Getting There: Funding the Gap

Transit Choices for Livability

Recommendations:

- **Regional STP @ \$3-5 M/year**
- **State funding for special needs transit @ \$8M/year**
- **Bus priority cost savings @ \$2-5 M/year**
- **Higher fares @ \$1.5 M/year**
- **New funding sources @ \$5-24 M/year**

Getting There: Funding the Gap

Possible Solutions...

- **2+2+2... equals a 6 cent gas tax increase plus indexing**
- **Pursue 1+1+1... for OM&P to maintain status quo pavement conditions**
- **Implement major freeway expansion projects as toll facilities to substitute for a 1+1+1... gas tax increase (e.g., Tualatin-Sherwood Expressway, I-5 Interstate Bridge, Highway 217, I-205 and Sunrise Highway)**

Getting There: Funding the Gap

...Possible Solutions

- **Each \$9 of vehicle registration fee would substitute for a 1 cent gas tax**
- **Add more cost responsibility to SDCs**
- **Levy SDCs at 100% cost responsibility in urban reserve areas rather than current 25%**



METRO

January 12, 1999

Henry Hewitt, Chairman
Oregon Transportation Commission
900 SW 5th Avenue, Suite 2300
Portland, OR 97204

Dear Mr. Hewitt,

I applaud the efforts of the Oregon Department of Transportation and the Washington Department of Transportation in developing a process to handle issues in the I-5 Trade Corridor. The Portland/Vancouver area is clearly defined by a common economy and environment, and it makes sense that planning efforts and infrastructure improvements be coordinated.

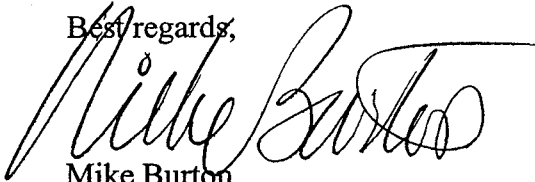
I want to outline three proposals that I believe would help improve the access and mobility of people and freight in the region.

- 1) The Oregon Legislature should create an I-5/I-205 Transportation Improvement Fund with a dedicated set-aside of a portion of the \$71 million in Oregon income tax paid by residents of the state of Washington. Nearly one-third of the workers in Clark County commute to the Oregon side of the Portland metropolitan area. With 54,000 Clark County commuters driving an average of 14 miles per round trip to work in Oregon, that represents 756,000 miles on Oregon roads per work day. The fund would be dedicated to improvements needed in the corridors including freeway and arterial improvement, operation, maintenance and preservation, traffic mitigation, and carpool and transit alternatives. I believe it is time to ask the State of Oregon to assist the Portland region in meeting the burden of transportation costs generated by Clark County commuters.
- 2) I understand ODOT and WDOT have \$17 million set aside to repaint the I-5 Interstate Bridge. I recommend holding off spending these funds until a comprehensive bridge replacement or rehabilitation strategy is developed. These funds could be an important down-payment for a bridge replacement project, could be more effectively spent as part of a larger rehabilitation project, or could be used for engineering work needed on a new bridge.

- 3) I want to explore with the Port of Portland, C-TRAN, and Tri-Met the possibility of building a park and ride lot on the Washington side of the I-205 Bridge to serve the substantial number of airport passengers and Port of Portland employees who live in southwestern Washington. Nearly 10 percent of airport passengers live in southwestern Washington.

I would appreciate the opportunity to explore these ideas with you in more detail at your convenience. If you have any questions, please do not hesitate to call me at 797-1502.

Best regards,

A handwritten signature in black ink, appearing to read "Mike Burton". The signature is fluid and cursive, with a large initial "M" and "B".

Mike Burton
Executive Officer

Cc: Metro Council
Mayor Vera Katz, Portland
Mayor Royce Pollard, Vancouver
Representative Bob Montgomery
Grace Crunican, ODOT
Mike Thorne, Port of Portland
JPACT members

From: Mike Consol <mconsol@portlandbj.com>
Date: Thu, Jan 7, 1999 3:24 AM
Subject: Transportation 2000 rolls into Portland

Dear Commuter:

It's time to register for The Business Journal's Transportation 2000 conference, a half-day event where the state's leading experts will present proposed legislative transportation bills and debate the future of Oregon's roads system. The conference is being sponsored by the Port of Portland, Associated General Contractors, Metro, Community Newspapers and Conkling Fiskum & McCormick.

Transportation 2000 is slated for Thursday, Feb. 4, 7:30 a.m. to 12-noon at the Oregon Convention Center. Tickets to the conference are \$25 in advance, \$30 at the door. Tables of 10 may be reserved for \$250.

Among the organizations that will be represented at the Transportation 2000 conference are:

- * Gov. John Kitzhaber's office
- * The Oregon Legislature
- * Associated Oregon Industries
- * Metro
- * The Port of Portland
- * Associated General Contractors
- * Oregon Transportation Association
- * State Transportation Commission
- * Nordstrom
- * Ethan Allen
- * Precision Castparts
- * The Westside Economic Alliance

Copies of The Business Journal's 2nd annual Transportation 2000 publication will be distributed to all conference attendees.

To register for the Transportation 2000 conference call the Business Journal's event registration line at (503) 219-3450, or e-mail your name and phone number to portland@amcity.com, or fax your name and phone number to 503-227-2650. A Business Journal representative will call you promptly to complete the registration process.

I look forward to seeing you at Transportation 2000.

Mike Consol, publisher
The Business Journal



Port of Portland

Box 3529, Portland, Oregon 97208, U.S.A.
503/231-5000

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JAN 11 1999

EXECUTIVE OFFICER

January 5, 1999

Mr. Mike Burton
Executive Officer
Metro
600 N.E. Grand Avenue
Portland, OR 97232

Dear Mr. Burton:

As one of the sponsors of the Lower Columbia River Channel Deepening Project, I am writing you to discuss the Port of Portland's thinking on the Willamette River portion of the navigation channel and invite you to a meeting on the channel deepening project to further discuss the issues laid out below.

The extent of sediment contamination in the Willamette River is now being examined by the Oregon Department of Environmental Quality (DEQ), the U.S. Environmental Protection Agency (EPA), the Port, the City of Portland Bureau of Environmental Services (BES), and the Portland Harbor Group (a stakeholder group). The Port is committed to a comprehensive long-term strategy for clean-up of the lower Willamette River. Further, the Port believes the Willamette River sediment clean-up effort may be able to take advantage of the deepening effort in the Willamette River.

Given the sediment quality concerns on the Lower Willamette, the Port believes that deepening the Willamette River should be subject to different conditions and under a different timetable than deepening the Columbia River. This phased approach would allow for a comprehensive analysis of the Willamette navigation channel in connection with the Willamette River sediment review being undertaken by DEQ, EPA, Port, BES, and others. This analysis should also include investigation of the opportunity to link the deepening of the Willamette navigation channel to environmental clean-up.

We also believe that we need to move forward without delay on deepening the Columbia River. The Columbia navigation channel provides significant benefits to the State of Oregon, particularly for containerized cargo. With a deeper Columbia channel, Portland-area bulk cargo shippers will also be able to take greater advantage of tides and seasonal high water to safely gain additional draft.

The major challenge on the Columbia has been location of disposal sites for dredged material. Unlike the finer grained material in the Willamette, the principal concern with the coarser sands dredged from the Columbia is the quantity of the material, not the quality. The local port sponsors have proposed a plan for disposal of sand dredged from the Columbia in coordination with mitigation, and eco-system restoration plans which we believe together represent an environmentally responsible approach for deepening the Columbia navigation channel. The plans focuses on:

- Maximizing beneficial use of dredged sand;

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January 5, 1999

- Transporting dredged sand greater distances to avoid disposal on farmlands and wetlands;
- Mitigation based on habitat impacts, with significant restoration of riparian and wetland areas; and
- Several eco-system restoration projects, including a restoration of sub-tidal shallow water habitat, multiple fish passage improvements, and a proposed project to rebuild wetlands in the 1,500-acre Shillappoo Lake area in Washington State.

Finally, we supported the U.S. Army Corps of Engineers 60-day extension of the comment period on the Draft Environmental Impact Statement. Our hope is that this extension will allow resource agencies and interested parties to provide detailed comments regarding the project.

The meeting I ask you to consider attending is to discuss the channel deepening project, Willamette River sediment cleanup plan, and the status of Ross Island. We plan a combined briefing and question and answer session since each of these efforts have implications for the other two. We have asked DEQ to participate in this briefing as well.

The meeting will take place Friday, January 22, from 11:30 a.m. to 1:30 p.m. at the Port of Portland Building, 700 N.E. Multnomah Avenue, 13th floor, Commission Room. Enclosed is a tentative agenda and invitation list. Lunch will be provided. Please RSVP to Katy Tobie, community affairs manager, at 731-7055 to confirm your attendance and indicate if there is specific information you would like covered at the meeting.

Yours very truly,



Mike Thorne
Executive Director

Enclosure

cc: Bob Friedenwald
Sebastian Degens
Kathi Futornick
Pad Quinn
Katy Tobie
Dianne Perry
Jim Gladson, DEQ
Mike Rosen, DEQ
Dick Peterson, DEQ
Laura Hicks, Corps of Engineers

**CHANNEL DEEPENING
ROSS ISLAND AND WILLAMETTE RIVER SEDIMENT MEETING
January 22, 1999 - 11:30 a.m. to 1:30 p.m.**

Tentative Agenda

11:30 a.m.	Introductions and Lunch Pick Up	
11:45 a.m.	Review of Channel Deepening Project and Sponsors' Plan (Q&A)	Bob Friedenwald & Sebastian Degens - Port
12:15 p.m.	Update on Ross Island (Q&A)	Sebastian Degens - Port Mike Rosen - DEQ
12:45 p.m.	Status of Willamette River Sediment Cleanup Plan (Q&A)	Kathi Futornick & Pad Quinn - Port Dick Pedersen - DEQ
1:15 p.m.	Questions and Answers	
1:30 p.m.	Adjourn	

Invitation List

Paula Burgess and Louise Solliday, Governor's Natural Resource and Watershed Enhancement Office
Bill Scott and Keith Leavitt, Oregon Economic Development Department
Dick Benner, Oregon Department of Land Conservation and Development
Mike Burton and Charlie Ciecko, Metro
Dean Marriott and Mary Abrams, City of Portland, Bureau of Environmental Services
Deb Marriott, Lower Columbia River Estuary Program
Rick Bastasch, Willamette River Restoration Initiative
Melody Tereski, SW Washington ESU 4 Management Board
Felicia Trader, Portland Development Commission
Anne Badgley, U.S. Fish and Wildlife Service
James Greer, Jim Martin and Chris Wheaton, Oregon Department of Fish and Wildlife
Elizabeth Gaar, National Marine Fisheries Service
Paul Cleary, Oregon Division of State Lands
Mayor Vera Katz and City Commissioners

Agenda
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Oregon Department of Environmental Quality

Dick Pedersen and Mike Rosen

Corps of Engineers

Laura Hicks
Dianne Perry

Port of Portland

Pad Quinn, Marine, Environmental Manager
Kathi Futornick, Senior Environmental Advisor
Sebastian Degens, Marine Planning Manager

Columbia River Channel Coalition

Bob Friedenwald, Channel Project Manager
Katy Tobie, Community Affairs Manager

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Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
Secretary of State's Audit of Construction and Administrative/Overhead Costs
and Dye Management Review of Construction & Maintenance

Summary of Recommendations and ODOT Response/Actions

Programming	Recommendations	ODOT Response/Action
<i>Project Selection</i>	<ul style="list-style-type: none"> • Within program categories (preservation, bridges, safety, modernization), continue to strengthen the relationship between ODOT's plans and project selection and design. 	<ul style="list-style-type: none"> • Concur.
<i>Public Involvement</i>	<ul style="list-style-type: none"> • Clarify the purpose and role of public involvement around the Statewide Transportation Improvement Program. 	<ul style="list-style-type: none"> • Concur.
Design	Recommendations	ODOT Response/Actions
<i>Project Management Performance</i>	<ul style="list-style-type: none"> • Clarify responsibilities and provide the enabling procedures and tools to improve project management for design. • Strengthen the monitoring and management accountability for project delivery by establishing measurable project management objectives. 	<ul style="list-style-type: none"> • Concur. A project to define Team Leader duties, workloads, management structure, support, and measures is underway. Work is scheduled to begin in September 1998 to develop a Project Development Manual. • Work is underway to establish standard processes for estimating PE budgets programmatically for the STIP and individually for projects. • Standard-tracking reports will be developed to support measurement related to management objectives.

ODOT DIRECTOR

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Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
Secretary of State's Audit of Construction and Administrative/Overhead Costs
and Dye Management Review of Construction & Maintenance

	<ul style="list-style-type: none"> • Continue to use project development teams and emphasize avoiding costs that do not add value. (from Secretary of State's Audit) • Establish management and control procedures for project cost, scope escalation, and schedule. 	<ul style="list-style-type: none"> • Concur. • Concur. All Regions have established procedures to evaluate and approve/decline changes recommended by Project Teams. • Work is scheduled to begin in September 1998 to develop a standard work-planning format that will be required before development may begin on a project.
<i>Design Standards</i>	<ul style="list-style-type: none"> • Retain existing design criteria that are cost-effective and reduce others that result in overdesign. • Streamline the design exception process. • Increase the flexibility in the application of standards for 3R [resurfacing, restoration, and rehabilitation] non-freeway projects. 	<ul style="list-style-type: none"> • Concur. Changes in the 3R Standards were made and these changes match several of the criteria questioned in this review. FHWA approval of these changes was received on July 21, 1998. • Streamlining of process was just completed along with the changes in 3R standards. • Revisions to design process for preservation paving designed to 3R standards has just been completed, along with the revisions to the standards and the exception process.
<i>Management</i>	<ul style="list-style-type: none"> • Establish a statewide management function to provide leadership responsibility for consistency of product, resolving technical issues, and ensuring design quality statewide • Improve communication and reinforce the accountability and authority structure for Team members. • Revise the review process and improve the management of the production of plans, specifications, and estimates. 	<ul style="list-style-type: none"> • An executive level manager experienced in project development, programming, and management has been permanently assigned to perform this function effective August 1, 1998. • Concur. • Concur. Region and central staff recently completed discussions on design roles and responsibilities.

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Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
Secretary of State's Audit of Construction and Administrative/Overhead Costs
and Dye Management Review of Construction & Maintenance

	<ul style="list-style-type: none"> • Increase the training and management support for Team Leaders, Project Managers, and Functional Managers for project delivery. 	<ul style="list-style-type: none"> • Concur. A project to define Team Leader duties, workloads, management structure, support, and measures is underway.
<i>Quality</i>	<ul style="list-style-type: none"> • Revise the design review process to establish quality assurance/quality control procedures that build in quality. • Report change orders by cause. 	<ul style="list-style-type: none"> • Concur. Procedures will be written to ensure the causes of design revisions and construction change orders are routinely reviewed. • Concur.
<i>Pavement Management and Lifecycle Cost</i>	<ul style="list-style-type: none"> • Strengthen the use of the pavement management system in planning and project development. • Make technical improvements to the lifecycle costing methodology. 	<ul style="list-style-type: none"> • Concur. A Pavement Management System is now in use and will improve pavement management. • Present methods of lifecycle costing now in use will be reviewed and make adjustments/improvements as appropriate.
Discussion	Recommendations	ODOT Response/Actions
<i>Contractor Selection and Management</i>	<ul style="list-style-type: none"> • Use contracting provisions that can reduce late or ensure on-time construction for projects with high roadway user costs. • Consider contractors' past performance and capacity limits for performing construction when pre-qualifying contractors. (Secretary of State's Audit) 	<ul style="list-style-type: none"> • ODOT is studying the experience of other states, as well as the costs/benefits of adding warranties and other contract provisions to ODOT project requirements. • ODOT is reexamining the pre-qualification process and is closely following national research and what other states are doing on this topic.

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ODOT DIRECTOR

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Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
Secretary of State's Audit of Construction and Administrative/Overhead Costs
and Dye Management Review of Construction & Maintenance

<i>Management of Construction</i>	<ul style="list-style-type: none"> Strengthen the accountability structure for project management by making Region Managers accountable for project management performance. Record change orders by cause. 	<ul style="list-style-type: none"> Concur. Concur.
<i>Management of Traffic in Work Areas</i>	<ul style="list-style-type: none"> Provide guidelines for specifying work zone safety review and ensure implementation responsibilities and accountability for ODOT traffic control plans. 	<ul style="list-style-type: none"> Concur. The Project Managers Safety Committee has nearly completed these guidelines. New contract specifications will require contractors to have a certified traffic control supervisor on projects with significant impact to traffic.
<i>Quality Assurance</i>	<ul style="list-style-type: none"> Continue fine-tuning the program. Conduct a formal program evaluation and track program performance measures. 	<ul style="list-style-type: none"> The QA program manager will work with the Quality Assurance Steering Committee on a regular basis to identify and address unresolved issues such as policies related to testing. The QA Manager and QA Steering Committee will establish measurable program goals and reporting required for continuous improvement.
Maintenance	Recommendations	ODOT Actions/Response
<i>Overall Maintenance Management</i>	<ul style="list-style-type: none"> Complete the development and implementation of the new level of service program and use the results as an integral part of the annual planning process. Allocate funding and resources using the performance-based budgeting and work plan elements of ODOT's maintenance system coupled with the level of service program. 	<ul style="list-style-type: none"> Concur. As noted in the report (page 72), this is in progress. As noted in the report (page 74), "... Oregon is within an acceptable range of staffing." Utilizing the level of service results will allow ODOT to allocate that appropriate statewide staffing to the areas that indicate the greatest need.

Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
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<p><i>Overall Maintenance Management, Cont.</i></p>	<ul style="list-style-type: none"> • Promote prioritizing and scheduling of maintenance work at the crew level. • Use the level of service program to monitor performance. • Develop materials and train managers in each of the elements of ODOT's maintenance management approach. • Reassess the pavement management system's data collection approach. • Assess the strategic implications of the current investment levels for the bridge program. 	<ul style="list-style-type: none"> • Concur. An updated maintenance management information system, as recommended in this review, will include improved tools for prioritization and scheduling. • Concur. • Concur • Concur; however, it is unclear that the improvement in consistency would be worth the cost of additional staff. • Concur.
<p><i>Resource Management</i></p>	<ul style="list-style-type: none"> • Plan annual maintenance workloads using inventory, performance measures, and task-related resource needs. • Determine in-house needs for equipment, material, and manpower based on the results of work planning process. • Allocate equipment and manpower to the lowest planning level based on the results of work planning process. • Use contracting as a management tool to reduce maintenance cost. 	<ul style="list-style-type: none"> • Concur. As noted in the report (page 87), ODOT will be able to incorporate performance measures "...by coupling its existing Maintenance Management System approach with the new level of service program." • Concur. This will result from the above action. • Same as above. • Concur. As noted in the report (page 86) "ODOT dramatically increased contracting ...".

Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
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<i>Maintenance Organization Structure</i>	<ul style="list-style-type: none"> • Improve accountability for the maintenance program. • Give the field managers more authority and accountability with respect to administrative procedures. 	<ul style="list-style-type: none"> • Concur. Work underway will define roles and responsibilities and clearly define lines of accountability for the maintenance. • Concur; however, ODOT has given field managers the authority allowed by current laws and rules.
<i>Maintenance Management Information System</i>	<ul style="list-style-type: none"> • Modernize the Department's Maintenance Management Information System. 	<ul style="list-style-type: none"> • Concur; however this action entails a significant cost.
Administrative	Recommendations	ODOT Response/Actions
<i>ODOT's True Product Cost Initiative</i>	<ul style="list-style-type: none"> • Develop a revised implementation plan that is based on manageable tasks and prioritizes the areas that can provide the greatest benefit. 	<ul style="list-style-type: none"> • Concur.
<i>ODOT's Management Structure</i>	<ul style="list-style-type: none"> • Establish a project delivery business line manager. • Specify Team Leader and Project Manager roles and responsibilities, and reclassify Team Leader positions. • Establish business objectives and measure their accomplishment for project delivery. 	<ul style="list-style-type: none"> • Concur.
<i>Administrative & Overhead (Secretary of State's Audit)</i>	<ul style="list-style-type: none"> • Simplify the classification, recording, and evaluation of costs. • Recommend ODOT allocate costs for Support Services Manager, project coordinator, and administrative support salaries to the Support Services Branch. • Recommend the Driver and Motor Vehicles Branch include costs applicable to license plates, photo identification, and postage in a unit classified as providing direct services. 	<ul style="list-style-type: none"> • Agree in concept. Responsible unit codes should also be used with other codes to properly classify costs. • Concur • Concur

007
ODOT DIRECTOR
08:18
01/29/99

Oregon Department of Transportation
Presentation to Joint Legislative Audit Committee
Secretary of State's Audit of Construction and Administrative/Overhead Costs
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	<ul style="list-style-type: none"> To improve information on Transportation Development Branch operations: assign administrative costs to appropriate units within the Branch; assign specific responsible unit codes to each organizational unit to facilitate the classification of administrative and indirect (overhead) costs; and identify direct services and products and separately record expenditures for those activities. 	<ul style="list-style-type: none"> Concur
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Oregon Department of Transportation

Management Review of Construction and Maintenance

Fact Sheet

The Oregon Department of Transportation (ODOT) was interested in obtaining an outside assessment of construction and maintenance activities, which are the heart of its highway program. Through a competitive process, a team of consultants headed by the firm of Dye Management Group, Inc. of Bellevue, Washington, was selected to conduct the review. The consulting team has national experience in conducting assessments of this nature. A steering committee provided oversight and helped ensure that the review was impartial. The committee was chaired by Medford businessman Mr. Pete Naumes, and included representatives from the Secretary of State's Office, the Department of Administrative Services, the State Legislature, and ODOT.

The review identified strengths and needed improvements.

Strengths

- ODOT is following effective, modern practices in most construction and maintenance areas.
- The highway projects that get selected and built meet statewide goals.
- Public opinion is sought by ODOT and followed in developing plans and selecting highway projects.
- ODOT is implementing a state-of-the-art approach to maintenance that can lead to more effective service.
- Highway construction projects are being completed within budgets.
- Productivity appears to be increasing in the design of highway projects.
- ODOT is following reasonable standards in road design and is making prudent cost decisions about standards.

Needed Improvements

- ODOT is not properly estimating the cost of designing projects and is exceeding design budgets for individual projects.
- Design schedule information is not accurate, complete, or detailed enough to ensure that projects are completed on time.
- Project management approaches, accountability measures, and statewide oversight need to be improved.
- Even though the productivity (quantity) of design work appears to be increasing, the quality of design work appears to be declining.
- While just under one-half of construction projects are being completed early or on schedule, over one-half are late.
- Maintenance budgets should be prepared using better data.
- Improved preventive maintenance of road pavements can save money.

The management review includes 40 different recommendations to improve construction and maintenance activities.

SECRETARY. OF STATE - AUDITS

Administrative & Overhead Costs

- Costs showed administration @ 6% of total costs and overhead @ 15.8% of total costs
- Expenditures need to be accurately classified, as direct, indirect or administrative

STIP Project Delivery

- Since 1993 ODOT has improved timelines of starting planned projects from 60% to 77%
- STIP project cost estimates reliably predict actual total cost
- Inconsistency in design and delivery process

Sources and Uses of Highway Funds

- From 1993-1997, Overall pavement condition rating fell from 83% fair or better to 77%
- Percentage of DMV receipts transferred to Highway fund decreased due to DMV costs increasing faster than revenues
- For the two largest highway fund revenue sources, (fuel and weight -mile tax), 95% is available for highway construction and maintenance.

Highway Construction

- Costs overruns averaging 6.6% - Compares favorably to other states
- Apply rigorous use of pre-qualification screening of contractors
- Oversight of project management insufficient



70TH LEGISLATIVE ASSEMBLY
TRANSPORTATION FUNDING REQUEST

HB 2082 Associated Oregon Industries (AOI)

Gas Tax Increase -- 6-cents (Current tax -- 24.6-cents)
3-cents 1999-2001 per biennium
3-cents 2001-2003 per biennium
Vehicle Registration - \$10 per biennium (Current -- \$30 every two years)
Change weight/mile calculations
Estimated value - \$184 million per year at full implementation

HB 2081 Association of Oregon Counties (AOC)

Gas Tax -- 4-cents 1999-2001 per biennium
• Double funding for Small County Program
• \$ 3 million Eastern Oregon forest safety net
Vehicle Registration -- \$20 per biennium statewide
Vehicle Registration -- \$20 per biennium for high growth counties
(Clackamas, Marion, Multnomah and Washington Counties)
10-year program for reducing the counties' annual unmet road needs

AOC supports HB 2082 and is working with AOI on differences between the two proposals. AOI has agreed to add in its proposal the safety net funding for Eastern Oregon. Discussions are continuing for the small county program and the vehicle registration fees.

1/14/99



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Salem, OR 97301-4030

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Oregon 800/452-7862
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*District Vice-Chairmen

STANDING COMMITTEES

Environment & Natural Resources
Health
Labor & Employment Law
Retail Council
Revenue & Taxation
Workers' Compensation

Associated Oregon Industries Transportation Finance Proposal

Gas Tax Increase:

Six cents; in two, three cent increments. The first three cents is to be implemented in January of 2000, the second in September of 2001. The 2001 legislature is directed / encouraged to review ODOT's performance on the following benchmarks prior to the second three cents going into effect:

1. **Pavement Condition.** Total percentage of pavement lane miles rated "fair" or better out of total lane miles on the state highway system. (Rating scale is very good, good, fair, poor, very poor.)
2. **Dollars on the Road.** Percent of dollars spent for highways (construction, maintenance, operations), and on other transportation systems compared to total budget dollars.
3. **On time STIP delivery.** Number of Statewide Transportation Improvement Program projects delivered within the correct year and within the funding identified in the STIP. Changes to the delivery date may occur on an annual basis, if funding changes occur.

Auto Registration:

Auto registration to be increased \$10 per biennium.

Truck Taxes:

Weight mile and registration to increase in proportion to gas tax and auto registration fees; in accordance with established principles of cost responsibility.

Changes to weight mile:

- Change filing period from monthly to quarterly;
- Turn the weight mile tables into one table;
- Reduce weight classes by changing from 2,000 lbs. increments to 4,000 lbs. increments;
- Provide 1% discount in weight mile taxes for filing on line;
- Provide 2% discount per truck for transponder use;
- Provide tax credit for additional axles down to 26,000 lbs.;
- Direct ODOT to merge IFTA and weight-mile forms for easier filing;
- Create a weight mile paperwork reduction task force;

COUNTY ROAD FUNDING PROPOSAL


First Biennium Minimum Proposal of a Five-biennium Strategy
First Biennium for Maintenance and Preservation

- ▶ 2-cent plus 2-cent increase in the fuel tax (1/1/2000 and 1/1/2001) plus a corresponding, cost responsible tax increase for heavy trucks, and includes:
 - ▶ Doubling of funding for the Small County Program (from \$750,000 to \$1,500,000 annually)
 - ▶ Establishment of a \$3 million Eastern Oregon Forest safety net program
- ▶ \$10 per year (\$20 for two-year registration cycle) in vehicle registration fee
- ▶ An additional \$10 per year registration fee (\$20 every two years) to address the increased road and bridge costs in high growth counties
- ▶ 10-year Program for reducing the counties' annual unmet road needs

**METRO**

Date: December 23, 1998

To TPAC and Interested Persons and Organizations

From:  Andrew C. Cotugno, Transportation Director

Re: Priorities 2000 Project Selection Process

Metro solicited transportation project nominations from local jurisdictions in early September. The cutoff for nomination of new projects was October 16, though Metro continues to accept clarifying materials. Enclosed is a preliminary schedule for the remainder of the project selection process. It identifies the expected date for release of draft technical rankings by project mode, dates of TIP Subcommittee meetings, dates of TPAC, JPACT and public workshop meetings to consider project technical and administrative ranking factors, and the anticipated date of full program approval by JPACT and the Metro Council.

Staff proposes that the TIP Subcommittee meetings scheduled for review of both the technical and administrative factors also be used to clarify several issues related to transit and TDM applications and bike/pedestrian/boulevard, bridge maintenance and ITS (Intelligent Transportation System) project funding requests.

These dates may change if consensus approval cannot be achieved during any portion of the selection process. Agendas for specific meetings will be sent beforehand.

If you have questions or wish to schedule an additional information briefing, please call Terry Whisler at 797-1747.

ACC:TW:lmk

Enclosure

Priorities 2000 Project Selection Schedule

15-Jan-99	Release draft technical ranking to agencies and TIP Subcommittee
19-Jan-99	TIP Subcommittee (Transit/TDM issues/ITS projects)
19-Jan-99	Transportation Planning Committee Review
26-Jan-99	TIP Subcommittee (Bike/Ped/Boulevard projects; Bridge maintenance)
29-Jan-99	TPAC Review/Approval of Draft Technical Ranking
2-Feb-99	Transportation Planning Committee Review
8-Feb-99	Release Approved Technical Rankings to Public*
8-Feb-99	Public Comment Period begins
10-Feb-99	TIP Subcommittee to address Administrative Factors
11-Feb-99	JPACT Review
16-Feb-99	Transportation Planning Committee Review
23-Feb-99	Public Workshop with ODOT (in Portland): Comment on Technical and Administrative Factors
26-Feb-99	TPAC: Approve blended technical/administrative ranking by modes
27-Feb-99	Open House (in Hillsboro) – distribute information to public
2-Mar-99	Transportation Planning Committee Review
11-Mar-99	JPACT/Metro Council Review
16-Mar-99	Transportation Planning Committee Review
17-Mar-99	Public Workshop with ODOT (in Oregon City) – Comment on Technical and Administrative Factors
22-Mar-99	TIP Subcommittee: Formulate cut list to 150% of available funds**
22-Mar-99	Public Comment Period Ends
26-Mar-99	TPAC: Review/Approve 150% cut list
6-Apr-99	Transportation Planning Committee Review
8-Apr-99	JPACT/Metro Council Review/Approve 150% cut list
20-Apr-99	Transportation Planning Committee Review
29-Apr-99	TPAC Approval of Program Recommendation***
4-May-99	Transportation Planning Committee Hearing on Program Recommendation
13-May-99	JPACT Approval of Program
27-May-99	Metro Council Approval of Program

* Date of workshop contingent on TPAC approval to release draft technical rankings. Room 370A-B is reserved for meeting on this date in the evening.

** Program reduction to 150% of revenue will not occur if consensus on 100% program can be achieved.

*** Prior TIP Subcommittee meeting(s) will be scheduled as needed.



CLACKAMAS COUNTY

Board of Commissioners

BILL KENNEMER
CHAIR

LARRY SOWA
COMMISSIONER

ED LINDQUIST
COMMISSIONER

January 8, 1999

Andy Cotugno
METRO Transportation Director
Joint Policy Advisory Committee on Transportation
600 NE Grand Avenue
Portland, OR 97233-2736

BY FAX: 797-1794

Dear Andy:

This letter is to officially notify you that I have been appointed by the Clackamas County Board of Commissioners as the Clackamas County representative to JFACT. I will be replacing Ed Lindquist who resigned from the Board of County Commissioners on December 31, 1998. We will be appointing a new Commissioner to fill the balance of his unexpired term later this month. After that appointment, we will notify you who will serve as my alternate on JFACT.

I am looking forward to working with you and the other members of the Committee.

Sincerely,

Bill Kennemer, Chair
Clackamas County Board of Commissioners

Rail~Volution '99

Livable Communities: A Renewed American Dream

Dallas, Texas September 25 - 28, 1999

A Call for Presentations

Over the past four years Rail~Volution has grown into the definitive national conference for building livable communities. We invite you to propose a presentation at our 5th annual meeting in Dallas, Texas from September 25 - 28, 1999.

Rail~Volution brings together a unique cross section of citizen activists, business leaders, planners, academics, local elected officials, transit operators and federal officials. Attendance at the conference has grown to nearly 1100 participants.

Livable Communities: A Renewed American Dream will explore the explosion of local initiatives to create livable communities in cities and suburbs across America. As smart growth has come of age as a mainstream national political issue communities are moving beyond business as usual. Federal and state governments have started to support these efforts through new programs that flexibly respond to local objectives rather than imposing a single approach. Many local areas are testing innovative concepts and programs. Transit is being redefined as a tool to help create livable communities. Rail~Volution is intended to showcase a bounty of the best examples of ideas from across the country, the processes used to realize them and the tangible results achieved so far:

- ✓ New tools and success stories offering practical options for reshaping our communities
- ✓ Public and private partnerships pushing the bounds of what was possible just a few short years ago
- ✓ Transit being used to reinforce and provide viable choices to moving in and around our communities
- ✓ Neighborhoods and developers building new unusual coalitions, learning to communicate and work together towards mutually satisfying results
- ✓ Transit Oriented Development moving from theory to built projects that can be examined and replicated
- ✓ The passage of the new transportation bill helping herald a rail revolution across the country with more than 100 New Starts in the funding pipeline

Rail~Volution features in a variety of formats for sessions –hands on workshops, case studies of built examples, tool box sessions for more in-depth detail, advanced how to workshops, getting started sessions and moderated panel discussions. In keeping with Rail~Volution's tradition of encouraging a healthy dialog between panelists and the audience, presentations need to be limited to 15 minutes.

Nominations are due by March 5, 1999. A decision on speakers will be made by June 18, 1999.

Questions? Call Mary Simon (503) 823-6870 or GB Arrington (503) 238-4977

From: Mike Consol <mconsol@portlandbj.com>
Date: Thu, Jan 7, 1999 3:24 AM
Subject: Transportation 2000 rolls into Portland

Dear Commuter:

It's time to register for The Business Journal's Transportation 2000 conference, a half-day event where the state's leading experts will present proposed legislative transportation bills and debate the future of Oregon's roads system. The conference is being sponsored by the Port of Portland, Associated General Contractors, Metro, Community Newspapers and Conkling Fiskum & McCormick.

Transportation 2000 is slated for Thursday, Feb. 4, 7:30 a.m. to 12-noon at the Oregon Convention Center. Tickets to the conference are \$25 in advance, \$30 at the door. Tables of 10 may be reserved for \$250.

Among the organizations that will be represented at the Transportation 2000 conference are:

- * Gov. John Kitzhaber's office
- * The Oregon Legislature
- * Associated Oregon Industries
- * Metro
- * The Port of Portland
- * Associated General Contractors
- * Oregon Transportation Association
- * State Transportation Commission
- * Nordstrom
- * Ethan Allen
- * Precision Castparts
- * The Westside Economic Alliance

Copies of The Business Journal's 2nd annual Transportation 2000 publication will be distributed to all conference attendees.

To register for the Transportation 2000 conference call the Business Journal's event registration line at (503) 219-3450, or e-mail your name and phone number to portland@amcity.com, or fax your name and phone number to 503-227-2650. A Business Journal representative will call you promptly to complete the registration process.

I look forward to seeing you at Transportation 2000.

Mike Consol, publisher
The Business Journal

COMMITTEE MEETING TITLE SPACT

DATE 1-14-99

NAME

AFFILIATION

Bill Kendeemon	CLACKAMAS COUNTY
Red Monroe	Metro Council P.O.
Andy Cotugno	Metro
Jon Kujstad	Metro Council
Nike Murtos	Metro
FRED HANSEN	TRI-MET
Kate Deane	ODOT
KARL ROLFE	C ³
CHARLIE HALE	City of Portland
Jim Knight	4-Cities E. County
Mary Leary	WSDOT
ED. WASHINGTON	Metro
Sharon Kelley	Multnomah County
ROB DRAKE	CITIES OF WASH. CO.
CRAG PRIDEMORE	CLARK COUNTY
Dave Lohman	Part of Portland
David Braydon	Metro Council
RED SANDER	CLACKAMAS COUNTY
CAROLYN CRASSOWAY	ODOT
STEVE DOTTERKER	CITY OF PORTLAND
Pat Collmeyer	Neil Hoedschmidt, Inc.
How Bergman	Clark County
John Rice	Clackamas County

COMMITTEE MEETING TITLE

JPACT

DATE

1-14-99

NAME

AFFILIATION

Karen Schilling

Mult. County

Harold Lacey

" "

London Oliver

Oregonian

MARK LEAR

CITY OF PORTLAND

GTB Armeton

TRI-MET

Rex Burkholder

Citizen

Uzo Nwato

Art - Mult County

Jimi Peterson

MULF. NA

Paul Silver

City of Wilsonville

Linda McDonnell

DTC

Scott & Rice

Cornelius City Council

Kathy Lehtola

Washington County

John Houser

Metro

Martha Bennett

City of Milwaukie

DICK SPRINGER

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Kim White

Metro

TOM KLOSTER

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De Jan

citizen

Roy Rogers

Wash. Co.