Meeting Notes 2005-04-28 [Finance Committee]

Joint Policy Advisory Committee on Transportation
JPACT Finance Committee
Thursday, April 28, 2005
7:15 A.M. – 9:00 A.M.
Conference Room 370 A & B, Metro Regional Center

1. WELCOME AND INTRODUCTIONS
   Rod Park, Chair

2. * CONSIDERATION OF MINUTES FROM THE FEBRUARY 24TH MEETING
   Rod Park, Chair

3. ROLE OF THE FINANCE COMMITTEE
   Rod Park, Chair

4. # WASHINGTON STATE TRANSPORTATION BILL
   Richard Brandman

5. CONNECT OREGON / LEGISLATIVE UPDATE
   Olivia Clark & Randy Tucker

6. * ECONOMIC DEVELOPMENT / TRANSPORTATION STUDY
   Richard Brandman & Marion Haynes, PBA

7. OPTIONS FOR THIS SESSION
   • AOC Bill / Hunt Bill / New Proposal
   Randy Tucker

8. ADJOURN
   Rod Park, Chair

* Material available electronically.
** Material to be emailed at a later date.
# Material provided at meeting.

All material will be available at the meeting.

Please call 503-797-1916 for a paper copy.
I. WELCOME AND INTRODUCTIONS

Chair Rod Park declared a quorum of JPACT and welcomed the members present which included:

Chair Rod Park
Chair of JPACT, Rex Burkholder
Councillor Brian Newman
Commission Bill Kennemer
Commissioner Roy Rogers
Commissioner Maria Rojo de Steffey
Bill Wyatt
Fred Hansen
Robin McArthur
Mayor Rob Drake

GUESTS

Andy Cotugno
Olivia Clark
Dennis Mulvihill
Randy Tucker
Ed Abrahamson
John Rist
Tom Miller
John Gillam
John Wiebke
Kate Marx

Metro Council
Metro Council
Metro Council
Clackamas County
Washington County
Multnomah County
Port of Portland
TriMet
Oregon Department of Transportation (ODOT)
City of Beaverton, Washington Counties

Metro – Planning Department
TriMet
Washington County
Metro – Public Affairs
Multnomah County
Clackamas County
City of Portland
City of Portland
City of Hillsboro
Metro – Public Affairs

II. ROLE OF THE FINANCE COMMITTEE

Councillor Rex Burkholder presented a brief PowerPoint presentation demonstrating the funding challenges that the State of Oregon faces regarding transportation needs.

III. LONG TERM ISSUES/OVERVIEW

Kate Marx began the discussion regarding Current Factors, Current Success Factors, and Desired Outcomes (Summary of the committee discussion as displayed on whiteboard).
Desired Outcomes:

- Spend more time on tough issues.
- Define regional vs. local responsibilities
- Define how to collectively fund regional responsibilities
- $7.2 billion package
- Clearly define priorities
- Clearly define strategic plan
- Ensure that all parties clearly understand the value of investments, ROI
- Defined Regional system – creates ownership – system approach
- Adopt process to talk through the politics and strategic elements of money and project sequence
- Transportation transit system seen as value asset by broad community

Critical success factors:

- Define/create agreement outlining the roles and responsibilities of the committee.
- Define sources of money and projects that the group can support
- Appropriately address land issues.
- Get influencers to the table
- Discriminate between fantasies and goals in order to get organized for session.
- Clearly define priorities.
- Get business passionate about transportation projects.
- Passion investment from the community
- Initiate finance committee discussion with entire JPACT table.

Current conditions:

- Improve methods for building consensus
- The right people aren’t at the table of committee to build buy-in.
- Regional inequities are a barrier to consensus, jurisdictions in all steps of development.
- Not enough discipline in prioritizing JPACT projects
- Too long in getting this done – JPACT
- Not staying on course – JPACT
- JPACT members passionate about their own projects, the system needs to be defined.
- Need regionally defined and prioritized system for roads as there is for transit. – Discipline is needed.
- How are the equities between regions defined?
- Define criteria that make a project regional – land use issues using 2040 in addition to long-term freight mobility.
- Statewide equity – Needed Resources.

The committee also discussed the need for a filtering process in order to determine the projects that should be regional and subsequently determine the amount of funding needed to construct those projects.
IV. IMMEDIATE ISSUES

Dennis Mulvihill presented materials (included as part of this meeting record) and the committee discussed immediate issues.

V. COMMITTEE LOGISTICS: TIME/DAY

The committee decided to continue to try to meet on the last Thursday of each month.

VI. ADJOURN

There being no further business, Chair Rod Park adjourned the meeting at 9:00am.
Introduction

The Portland region has experienced rapid growth over the last two decades and has gained national attention for its rise among cities in the Texas Transportation Institute's national congestion indicators. According to TTI's Urban Mobility Study, the annual congestion delay per peak-period traveler has increased nearly six-fold, from 7 hours in 1982 to 41 hours in 2002, resulting in approximately $589 million in overall economic losses.

This study will assess the cost of congestion to the Portland regional economy, particularly as it affects freight activities and business competitiveness. Furthermore, the study will provide a better understanding of the relationship between transportation infrastructure investments and economic vitality. The Portland region's economy, and that of the entire State, is heavily dependant on trade. The region serves as a gateway to the global marketplace and a distribution hub for imports and exports. Increasing congestion hinders the competitiveness of this gateway by impacting supply chain reliability and access to supplies, labor and consumer markets.

The study results will serve as one tool to help educate the business community, public and government decision-makers about the economic risks and stakes associated with congestion increases. In order to undertake this analysis, the consultant will model transportation impacts of a baseline scenario and an improved scenario, which will be based on the financially constrained and preferred systems of the 2003 Regional Transportation Plan (RTP). The study is not intended to endorse or specifically amend the RTP. It will, however, be a helpful reference when the RTP is updated.

The study is not an end product, but instead will be used as a tool to move forward by giving the general public, business community and decision-makers the information necessary to engage in the process of strategically formulating transportation policy, projects and funding decisions. Simply, the study will be used as a springboard for future discussions about planning for and investing in our regional transportation system.

Overall: Project Administration

A representative of the consultant team shall meet in person with representatives of Metro and the Portland Business Alliance at two times during the project: (a) near the start of the project, to clarify information collection requirements, refine plans for data assembly and confirm roles of individuals in supporting these efforts, and (b) near the end of the project, to discuss preliminary findings. (A member of the consultant team will also be in person for the Task 2 interviews.)

A representative of the consultant team shall also submit a monthly progress report and also talk on the phone with a designated representative of Portland Metro and/or the Portland Business Alliance on a monthly basis to discuss project progress and any issues that may arise affecting the project schedule, budget or analysis findings.

Task 1: Data Analysis on Cost of Congestion in the Region

This first task seeks to identify the magnitude of congestion, its costs and its incidence among categories
of travel. To accomplish this, the consultant shall work with Metro's transportation modeling staff to complete the following sequence of steps:

1.1 Hold Project Kickoff Meeting. At the start of the project, a representative of the consultant team shall meet with representatives of Metro and the Portland Business Alliance to clarify information collection requirements, refine plans for data assembly and interviewing, and confirm roles of individuals in supporting these efforts.

- **Time Period:** Task 1.1 to be completed by the end of project week #2.
- **Deliverables:** (1) Completion of Meeting, (2) Memo on decisions and outcomes of the meeting

1.2 Obtain Data on Travel Model Analysis. The consultant shall request data from Metro, the Port and other organizations, and compile that data to provide an overview of differences in traffic volumes and travel times associated with alternative future scenarios, as described in (a)-(d) below.

a) **Request for Aggregate Travel Model Data on Scenarios.** The consultant shall request from Metro and obtain relevant measures of the differences in total trips by mode, aggregate travel time (VHT or vehicle-hours of travel), and distances traveled (VMT or vehicle miles of travel) associated with each alternative scenario for the future – including (a) the financially constrained scenario and (b) the preferred scenario which involves a higher level of transportation investment. The data analyzed in this step is intended to show the "incremental difference" in the extent of congestion-induced travel delay associated with the two scenarios in the future year. All subsequent steps will focus on the economic costs associated with that change in congestion. Impacts on accident rates, if available, will also be sought.

b) **Request for Data Disaggregated by Market Segment.** The consultant shall also work with Metro staff to disaggregate (break down) these indicators of total daily (and peak) trips, VMT and VHT for market segments: (a) modes (transit, car, light/medium truck and heavy truck), (b) time of day (peak and daily average total), (c) trip purposes (commuting, non-home based work, other), and (d) geographic areas of interest (downtown, marine port, airport, and other congested corridors and locations such as I-5, Rt. 217 and river bridges). The consultant shall also request a split between trips that are internal (local) to the Portland region, external (pass-through) trips, and those that are going between the Portland region and outside areas. This data will be used to indicate the distribution of traffic and delay measures amongst travel market segments that we can match to sectors of the economy.

c) **Request for Additional Freight Flow Data.** The consultant shall work with the Port of Portland to obtain additional freight flow information, including volumes, tons, rail/truck split and commodity mix. This information will be important to enhance our understanding of impacts on critical freight flow patterns affecting both inland domestic and international trade. The consultant shall also access special detailed tabulations from the International Trade Administration that we obtain by special contract through WISER, to show origins and destinations of these freight going through the air and seaports.

d) **Request for Travel Time Reliability Information.** The consultant shall request Metro staff to provide information identifying key links where current conditions and future scenarios indicate high volume/capacity ratios and hence high likelihood of reliability breakdowns becoming prevalent. This information will be used to estimate the additional travel time costs, reflecting the fact that people value changes in reliability in addition to changes in average travel times.

- **Time Period:** Task 1.2 to be conducted during project weeks #2 - 4.
• Deliverables: (1) Data request memos as required for subtasks a-d, (2) Progress memo summarizing information obtained from those data requests.

1.3 Analyze Economic Impacts of Travel Impacts. The consultant shall analyze the findings from Task 1.2 to calculate the economic costs to households and businesses in the Portland region, as described in parts (A)-(B) below.

a) Updated Value of Time and Operating Cost. The consultant shall apply factors representing the value of time delay and cost of excess travel distance, by multiplying them by the changes in VMT and VHT (that were obtained form the prior subtask). That will provide an initial estimate of the dollar cost of congestion for alternative future scenarios. In addition, the consultant shall apply additional information on logistics and productivity impacts of truck delay, and the value of travel time reliability, to generate a more refined calculation of the dollar cost of congestion.

b) Allocate Costs to Sectors of the Economy. The consultant shall allocate the value of time and operating cost impacts amongst (a) costs of doing business in the region, (b) out of pocket expenses for households in the region, (c) additional social value that does not affect the flow of dollars in the economy, and (d) benefits accruing to outsiders passing through the area. The consultant shall then allocate the business costs to various industries in the Portland region, based on the freight flow data together with economic profiles of the region and measures of truck activity per dollar of business output in the region which we have compiled from federal and state sources. The consultant shall also run this system separately for up to five key corridor portions of the region, as determined by Metro. The findings shall show the total economic cost to residents and to businesses in the region, and the associated jobs and business sales that are affected. The findings will be calculated by county, to the extent that it is possible, and will also highlight specific industries and areas that are most vulnerable.

• Time Period: Task 1.3 to be conducted during project weeks #5 – 10.

• Deliverable: (1) Summary memo on key findings on user costs of congestion

Task 2: Interviews on Business Impacts

The second task involves interviewing individual businesses in several economic sectors and working with business associations in various forums to assess the effects of congestion on their operations and on their customers and suppliers. To accomplish this, the consultant shall work with representatives of the Portland Business Alliance and Metro to complete the following steps:

2.1 Design the Interview Process. The interview process will involve identification of interview issues and targets, as well as conduct of interviews and analysis of their findings, described in (a)-(c) below.

a) Identify Interview Targets. The consultant shall also consult closely with the PBA and Metro to identify key business individuals and/or organizations that should be interviewed because of their track record of knowledge and involvement in transportation issues and/or their insight into issues of how specific routes and choke-points influence business decision-making. The interview targets may be staff of individual companies and/or staff of organizations representing multiple companies with a common interest. The goal is to conduct in-depth interviews with multiple staff (representing different roles and perspectives), for ten to twelve companies or organizations that are key players and interested parties. The interview targets should ideally include representatives from each of the four counties and four different types of business or industry.
b) **Design the Interview Guide.** The consultant shall also develop an interview guide (list of questions for discussion) that will frame the objectives of the interview process. The Interview Guide will provide specific questions to be asked of the interviewees and background materials designed to be used by the interviewer to help the interviewee in describe the effects of congestion. The interviews will focus on relationships between traffic congestion and the cost, productivity and efficiency of business activities. (They may include issues such as: schedule-sensitive processing, capacity and schedules for delivery vehicles, logistics and inventory management, staff levels, worker overtime and shift management, market size-related savings in workforce and sales, cost of access to specialized skills, worker expense and labor cost associated with longer commuting times, and travel time for commercial drivers, and perceptions of the extent to which congestion is likely to continue to affect their operations in the future.)

- **Time Period:** Task 2.1 to be conducted during project weeks #2 - 4
- **Deliverables:** (1) Interview target list, (2) Interview guide (topics/questions)

### 2.2 Conduct Interviews and Analyze Findings.

a) **Conduct Interviews.** The consultant shall conduct in-depth interviews with multiple staff (representing different roles and perspectives) for fifteen companies or organizations identified as key players and interested parties. The consultant may start out with a group (e.g., two or three) key people from each organization (e.g., executives and logistics people - again depending on the size and operating/management styles of each organization) and then move to one-on-one interviews depending on the situation in each business or industry. This is intended to allow the consultant to develop a “dialogue” with key contacts to maximize insight into the ways in which each type of business is dealing with congestion, the ways in which it affects their operations, and cost implications of continuing to deal with growing congestion, as well as implications of proposed infrastructure improvements on those business costs.

As part of the interview and dialogue process, the consultant shall follow up to identify high-level executives of key businesses (or business groups) who are interested and willing to commit to the rest of the project, and to promote a “message” about the effects of congestion and the need for strategies addressing it. The consultant shall document results of the interviews and key findings from them, by summarizing issues that were identified and discussed during the interviews and interview follow-up process. Information developed in the interviews will also be used as a basis for refining the Task 2 data analysis findings.

b) **Prepare Business Sector And Geographically-Based Summaries.** The consultant shall prepare summary reports for four counties and up to four major industry groups in a way that frames key issues affecting the impacts of congestion and the types of transportation infrastructure investments needed to address them. Working with PBA and Metro, the consultant shall then identify the types of strategies and approaches that may be most useful to assist interested industry groups in developing position papers. It is expected that this effort will provide focus on supporting up to four types of business to engage in defining and gauging the importance of congestion relief measures and infrastructure investments for them.

- **Time Period:** Task 2.2 to be conducted during project weeks #5 - 10
- **Deliverables:** (1) Memo on interview process completion, (2) Summary of interview findings, by area and industry type
Task 3: Effects of Congestion on the Business Climate

The third task involves reviewing research on business location decisions and the role of congestion in affecting those decisions.

3.1 Review Literature on Site Location. The consultant shall prepare a concise review of the literature on business location and investment decisions and the role of congestion in affecting them. This will also include literature regarding the role of business “access” (to labor markets, material resources and customer markets) in business location, growth and expansion decisions, and the way in which congestion affects such access. To complete this effort, the consultant shall also draw on findings from the task 2 interviews.

- **Time Period:** Task 3.1 to be conducted during project weeks #4-8
- ** Deliverable:** (1) Memo: Summary of site location literature review findings

3.2 Conduct Analysis of Competitiveness. The consultant shall assess the economic development impact that congestion can have on Portland’s competitive climate for attracting new business activity, based on consideration of its industry mix and trends, and the extent to which they may make the region particularly susceptible to congestion impacts in the future. To examine how the Portland region compares in those terms, the consultant shall use an analysis package for assessing business targeting opportunities known as LEAP (Local Economic Assessment Package). Basically, it is used to identify (a) economic trends occurring in the Portland region economy, (b) new emerging target opportunities for attracting expanding industries to the area (consistent with targets of the region’s economic development agencies), (c) the extent to which the existing and potential new targets are sensitive to various elements of access to markets, access to transportation facilities and levels of delay (including access to air and sea ports, intermodal rail terminals and border crossing routes), and (d) implications for identifying how sensitive is the business climate to differences in traffic these congestion scenarios, and how that would potentially affect business recruitment and retention. It will be used in conjunction with the Task 1 findings to effectively quantify the potential job and economic growth impacts of alternative congestion scenarios.

- **Time Period:** Task 3.2 to be conducted during project weeks #9–12
- **Deliverables:** (1) Summary of Findings on Competitiveness Impacts

Task 4: Case Studies: Effective Types of Infrastructure Improvements

The fourth task involves examining experiences of other cities, to identify (a) how the mix of modes and proposed transportation investments affects local economic conditions, and (b) the extent to which other cities are already taking steps to address congestion and reduce its adverse economic consequences.

4.1 Select Case Study Areas. The consultant shall identify other cities that have faced issues of growing congestion and concern about its implication for their economic future. The consultant shall recommend four to six case study sites for further analysis, and then finalize the list working in consultation with Metro and PBA staff.

- **Time Period:** Task 4.1 to be completed in project weeks #2-3
- **Deliverables:** (1) Memo on proposed case study areas

4.2 Conduct Case Studies. For each of the selected sites, the consultant shall compile summary information about (a) the nature of their growing congestion problem, (b) the existing and projected
pattern of transportation mode split, (c) the mix and growth pattern of their regional economy, (d) the role of business organizations in identifying congestion concerns, (e) the types of solutions that have been proposed and the parties involved in pushing those proposals, and (f) the actual or expected economic consequences. The consultant shall summarize findings of the case studies, noting those strategies and situations that are most applicable to the Portland metropolitan area. This will serve to (a) identify common features and differences among the case study sites, and (b) extract lessons learned for the Portland Region.

- **Time Period:** Task 4.2 to be completed in project weeks #4-10
- **Deliverables:** (1) Memo on case study findings and their implications

**Task 5: Final Report and Slide Show**

5.1 **Final Products.** The consultant shall describe the analysis conducted for this study and its findings in a report appropriate for public distribution. We anticipate a report that is succinct and written for general audiences, backed by technical appendices as needed. In addition, the consultant shall prepare a PowerPoint slide show that can be presented either by members of our project team or by staff or members of the Portland Business Alliance and Metro.

- **Time Period:** Task 5.1 to be completed in project weeks #12-14
- **Deliverables:** (1) Final Report, (2) PowerPoint slide show (electronic file)

5.2 **Presentations and Meetings.** A member of the project team will make a presentation of the study findings to representatives of Metro and PBA. As a follow-on option, Steve Fitzroy of our team (who is based in Seattle) as well as Glen Weisbrod and other staff of EDR Group (based in Boston) will also be available to make additional presentations of the study findings to committees and interest groups as requested by Metro and the PBA.

If, after reviewing the issues identified and the materials developed for this project, some interest groups decide to move these issues forward by championing investments or programs under consideration by Metro, then the consultant team can also be available to assist them as required on a time and materials basis.

Optional presentations and meetings are not included in the project budget, will be provided based on time-and-expenses incurred.

- **Time Period:** Task 5.2 may be scheduled any time after project week #14
- **Deliverable:** In-person presentation(s) or meetings, as requested

**BUDGET**

<table>
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<tr>
<th>Task</th>
<th>Staff Hours</th>
<th>Staff Dollars</th>
<th>Expense</th>
<th>Total Cost</th>
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<tbody>
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<td>2 Interviews on Business Impacts</td>
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<td>4 Case Studies</td>
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<td><strong>Total</strong></td>
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<td><strong>$5,192</strong></td>
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Additional executive interviews are billed at a rate of seven hours per interview (covering arrangement, interview and write-up of results). Additional meetings and presentations are billed based on hours involved plus travel and per diem costs if applicable. Labor rates for interviews, meetings and presentations are billed at the standard rate of $1360/day for Steve Fitzroy or Glen Weisbrod.
Transportation Revenue Comparison of Western States

Total Auto Taxes - $ Per Gallon of Gas Equivalent

Source: ODOT, April 2004

2005 Washington State Transportation Revenue Package

Increased Revenues: 9.5¢ gas tax increase over 4 years, plus vehicle fees based on weight, yielding through bonding $8.5 billion over 10 years.

Gas Tax Increases

Present 28¢
July 1, 2006 31¢
July 1, 2007 34¢
July 1, 2008 36¢
July 1, 2009 37.5¢

Vehicle Weight Fee
A weight fee of between $10 up to $30 per vehicle, depending on weight, not including larger commercial trucks (8,000 lbs or greater). Motor homes would pay an annual $75 fee.

(over)
**SW Washington Road Projects**

<table>
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<tr>
<th>Project Description</th>
<th>Cost</th>
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<tr>
<td>SR 1-205/Mill Plain Interchange to NE 28th Street</td>
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<td>Columbia River Crossing Project EIS/Planning</td>
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<td>SR 502/Widening from I-5 to Battle Ground</td>
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<td>SR 14/Camas-Washougal Widening</td>
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**Total** $243,274,000

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**Other major Washington State Transportation bills** passed in the 2005 session include:

- **SB 5513** - State Transportation Governance (Re-structuring Washington State DOT, the Washington Transportation Commission and authorizing the Secretary to be appointed by the Governor)

- **HB 1541** - Public Private Partnerships (revises public private partnership statutes giving more flexibility and allowing more creative agreements for risk sharing, etc.)

- **SB 5177** - Transportation Benefit Districts/Local Options (gives the option to counties to create benefit districts for purposes of transportation funding. The funding options include sales tax and/or a car fee - either of which must be approved by the voters)

- **SB 5139** - Highway and Bridge Tolling Authority (Authorizes tolling with approval of Highway Commission)
Washington invests in roads
As inflation keeps decreasing Oregon's gas tax, its neighbor moves boldly to shore up its transportation infrastructure

Tuesday, April 26, 2005
The Oregonian

Washington state legislators mustered just enough bipartisan energy Sunday to do something pretty remarkable at a time when oil prices have been steeply climbing. They passed an $8.5 billion transportation package -- the biggest in state history -- anchored by a phased-in 9.5-cent gas tax increase, also the biggest in state history.

When the first phase of it, a 3-cent increase, takes effect July 1, those extra pennies won't make Washington fuel prices noticeably higher than Oregon's. The average price for unleaded regular in both states lurks just below $2.50 a gallon. But Washington's additional revenue, phased in over four years, will help address a massive backlog of urgent projects.

At the top of the list is about $3 billion for replacing the quake-damaged Alaskan Way Viaduct in Seattle and the Evergreen Point floating bridge over Lake Washington. Although local governments in the Puget Sound region will contribute to those huge projects, there is still quite a bit of predictable grousing in Eastern Washington about Seattle getting too big a share of the pie.

Over the weekend, when the package hit a political logjam, Gov. Christine Gregoire invoked the viaduct project to pull wavering legislators into line.

"If that viaduct falls down and peoples' lives are lost," she told reporters, "I'm not going to stand here and say we lost it because we couldn't take the vote to get it done."

The spending package also targets Southwestern Washington, with $58 million to upgrade Interstate 205, $40 million to widen state SR14 and $50 million for planning a new Interstate 5 bridge over the Columbia River between Vancouver and Portland, among other Clark County projects.

When Washington's gas tax rises to 31 cents in July, Oregon's will still be right where it's been for the past 12 years, at 24 cents. And despite Oregon's own billion-dollar backlog of critically needed transportation projects, the tax will remain stuck at 24 cents indefinitely for lack of any political will to raise it.

Two years ago, Salem legislators did launch a major bridge-rebuilding campaign financed mainly by higher vehicle registration fees. Unfortunately, though, on the subject of fuel taxes they remain paralyzed by the bruising they took at the polls in 2000. They had approved a nickel-a-gallon increase but foolishly tied it to a tax giveaway for long-haul truckers. Oregon/Idaho AAA mounted a fight, referred it to voters and got it thoroughly trounced.

In contrast, Washington's transportation package had AAA and business support, and no organized opposition.

Leaders of Oregon industry and commerce, in the absence of effective political leadership, should be more aggressive on this subject. Washington's willingness to invest heavily in its transportation infrastructure over the next four years offers an exemplary lesson about achieving economic competitiveness.
Correction from last week’s report: The first bill discussed—the Hillsboro bill that removes some of Metro’s authority—is SB 730, not SB 740. (SB 740 is the E-waste bill.)

Five-Year Treadmill: SB 245, Metro’s bill to extend the UGB cycle, has been the subject of considerable negotiation with members of the region’s development community. These discussions have resulted in a bill with three elements: (a) a one-time, two-year extension of the current cycle, which would run until 12/31/09; (b) deadlines and other provisions to jump-start planning in areas that have been added to the UGB, to make sure those areas can be developed; (c) a provision for responding to any loss of development capacity due to natural resource protections. It was expected that the bill would move out of committee on 4/8 but Sen. Ringo surprisingly decided he wasn’t ready, despite the fact that no one is known to be opposing the bill. I still anticipate it will come out of committee, but Ringo’s committee will not be meeting this week. (I will report to the Council separately on the status of this bill.)

“One Appeal” Bill: Senate Bill 431, Metro’s bill to eliminate duplicate appeals of UGB expansions, passed the Senate 29-0 and has been referred to the House Land Use Committee.

Freight Routes Bill: Senate Bill 894 would greatly expand the number of highways subject to a provision first enacted in OTIA III in 2003 that prohibits reductions in vehicle-carrying capacity on identified freight routes. The bill had a third hearing last week and continued to attract opposition from local governments; from the Metro region, letters opposing the bill were submitted by Beaverton and Oregon City and officials of other cities apparently made calls to committee members. New amendments proposed by Bob Russell of the Oregon Trucking Association would replace the language prohibiting reductions of vehicle carrying capacity with language prohibiting reductions in “the width of, or the vertical clearance above, the roadway or any traffic lane” of state highways in the National Highway System. Russell wants to set up a meeting with Metro personnel to discuss this bill and the issues it addresses. However, he apparently told another Metro-area local government staff member today that he thought the bill was dead.

Vertical Housing Bill: As reported last week, HB 2199 passed out of the House Trade and Economic Development Committee on March 21. However, I was under the mistaken impression that it was headed to the floor. In fact, it went to House Revenue and had a hearing last Thursday. It will be further amended (I believe to add a 1-year sunset) and then come back for a work session.

Annexation: SB 887, which includes a grab bag of annexation-related issues, was sent back to committee and came out once again. The current version includes a 2-year prohibition on most annexations by Beaverton, a 15-year moratorium on annexation of properties owned by Nike and Columbia Sportswear, a two-year interim committee/task force to address annexation issues and other provisions.

Transportation: SB 71, the “Connect Oregon” package, was passed out of the Senate Transportation Committee and sent to Ways and Means, but not before being reworked in
several ways. The bill allocates $100 million from lottery bonds to non-road multimodal transportation projects in four categories: air, rail, marine, and transit. One change is that $40 million of this amount would be loans rather than grants. Another is a distribution formula organized by congressional district. An earlier set of proposed amendments prohibited the use of any of these funds for transit projects that included light rail or passenger rail, but this element was deleted after attracting significant opposition.
1. Prepare a letter for distribution to all legislators and the Governor making the following points:

- The region continues to support Senate Bill 71 ("Connect Oregon"). Public transit must remain in the bill as an eligible recipient of the grants or loans from the Multimodal Transportation Fund it creates.

- A robust and well-funded transportation system is an essential factor that supports Oregon’s economic growth and wellbeing. It is critically important that we develop a long-term strategy for investing in the state’s transportation system. Failure to do so will consign Oregon to second-class economic status.

- If existing OTIA funds are going to be reprogrammed, JPACT supports dedicating those funds to the Oregon Transportation Commission’s current Projects of Statewide Significance, then to projects in the State Transportation Improvement Program. Prioritizing projects that have been vetted through an official process demonstrates our respect for substantive government decisionmaking and our commitment to investing limited funds on only the highest priorities.

- JPACT urges the Governor, the Legislature and ODOT to commit to working with the business community, other stakeholders, and especially local governments early in the interim period for the purpose of developing a comprehensive transportation package and submitting it to the 2007 Legislature.

2. JPACT members shall meet with legislative leadership, the Governor’s office and ODOT to advance these recommendations.
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