

House Interim Committee on Transportation and Economic Development

Tuesday, September 16th, 2014

State Capitol, Salem, Oregon

Members Present: Rep. Tobias Read, Chair, Rep. Cliff Bentz, Vice-Chair; Rep. Denyc Boles, Rep. John Davis, Rep. Margaret Doherty, Rep. John Lively, Rep. Caddy McKeown, Rep. Nancy Nathanson, Rep. Julie Parrish

Business Oregon Statewide Tour Report

Sean Robbins, Director of the Oregon Business Development Department (OBDD), offered a [slide presentation](#) and provided an overview of his statewide tour. The statewide tour involved a series of 12 forums held throughout Oregon for the purpose of discussing local economic priorities, helping shape the agency's strategy, and strengthening partnerships with the public and private sector. He focused his discussion on three premises:

- Focus first on growing and retaining local companies
- Approach economic development from a global market perspective
- Do not seek a one-size-fits-all solution

To achieve growth and development of in-state companies, he highlighted six strategies:

- Business development
- Access to capital
- Global trade
- Infrastructure investment
- Innovation and entrepreneurship
- Developing and attracting talent

Director Robbins indicated that he plans to return to each region of the state every two years.

Questions and comments for this panel included: how to avoid the one-size-fits-all approach; the importance of easing land use restrictions for industrial development; the importance of combining science and technology education with jobs for students; what surprised Mr. Robbins on his tour; and what the Legislative Assembly should have in mind for the 2015 session.

Briefing on Brownfields Cleanup and Redevelopment Coalition

John Ledger, Associated Oregon Industries, offered [informational materials](#) regarding the potential economic benefits of brownfields cleanup and redevelopment. The Brownfields Cleanup and Redevelopment Coalition is a broad representation of interests working together to address these sites, which remain unused due to combinations of contamination, perceived contamination and barriers to redevelopment. Many of these sites, of which there are more than 13,500 in Oregon, are in locations that would make them prime candidates for redevelopment; however, only 35 percent of such sites have had some sort of assessment done. Mr. Ledger noted that there will likely be one or more legislative measures introduced for consideration in 2015; some possible approaches include recapitalization of Business Oregon's redevelopment

fund, formation of land banks, local tax abatement, state-level tax credits or regulatory streamlining.

John Miller of the Oregon Opportunity Network commented on the potential opportunities for redeveloping brownfields in certain distressed communities into affordable housing. Christy Splitt of the Oregon Conservation Network read [testimony](#) from Jason Miner of 1000 Friends of Oregon, emphasizing the importance of redeveloping brownfields to accommodate industrial development, as opposed to developing elsewhere. Ms. Splitt also addressed the broad coalition working on the brownfields issue. Miranda Bateschell of Metro provided informational materials ([#1](#) and [#2](#)) and commented on the difficulty in funding redevelopment efforts in rural areas and offered examples of successful reclamation of brownfield sites.

Economic Development Opportunities in Portland Harbor

Susie Lahsene, representing the Working Waterfront Coalition, provided a [slide presentation](#) outlining opportunities and challenges facing the Portland Harbor area. Since Portland Harbor is located at the intersection of two railroads and two rivers, it is an important gateway to the world for goods from the United States and Canada and hence a funnel for economic development. She emphasized opportunities for investments that could create jobs, expand the tax base and lead to economic growth. She also addressed challenges for the area that include: adequate transportation infrastructure (which has benefited from the *ConnectOregon* program); limited land for expansion; integration of wildlife habitat; and the ongoing superfund environmental cleanup process.

Committee questions and comments for this panel included: the status of the superfund site; locations on the site where expansion might occur; brownfields in the area; and whether there has been any fallout from the end of the Columbia River Crossing project.

Proposed Propane Terminal at Port of Portland

Greg Schmidt, Head of Government Affairs for Pembina Pipeline Corporation, provided written [testimony](#) regarding the proposed propane terminal at the Port of Portland that would be operated by Pembina. He offered an overview of Pembina, headquartered in Alberta, Canada, and spoke to the economic value of propane. The terminal will be served by a fleet of modern, upgraded tank train cars, and is expected to depart two to three ships per month loaded with propane trained in from Canada. The facility is anticipated to be online by 2018.

Committee questions and comments for this panel included: the number of propane export terminals nationwide; the ultimate destination of the propane; whether the export contracts are expected to be short-term or long-term; and how many cars are expected to move through the terminal on a monthly basis.

National Perspective on Federal Transportation Funding

James Corless, representing Transportation For America, offered [testimony](#) that gave background on Transportation For America and on the future of transportation funding in the

United States. He asserted that it is likely that any solutions, in the short term, will need to be made at the state level because of the current state of affairs in Congress. To meet the expected transportation needs of the nation there would need to be an increase in the federal gas tax of at least 17 cents per gallon. In lieu of such action, several states have taken action to increase gas taxes or other revenues to pay for transportation infrastructure, and others are considering such an approach. He referenced five concepts that are key to discussions of transportation funding:

- *Crisis* – decline in efficacy of the gas tax as a revenue source
- *Competition* – ability of states to attract business with adequate transportation infrastructure, and to recruit young professionals with transit and other transportation options
- *Creativity* – finding new ways to raise revenues for transportation
- *Coalitions* – finding consensus across modal users and urban and rural regions
- *Case-Making* – the need for a combination of effective rationale plus reforms

Mr. Corless remarked on different approaches in other states for transportation revenues, including oil franchise fees (Pennsylvania) and complete replacement of the gas tax with a sales tax on gasoline (Virginia). Successful funding packages often include reforms including: specifying projects to be funded; accountability and oversight; performance measures; and competitive grant programs. He concluded by mentioning an upcoming transportation funding conference, “Capital Ideas – Raising Funding for Transportation” in Denver on November 13-14.

Committee questions and comments for this panel included: whether other states are looking at a road usage charge similar to the one developed by Oregon’s Road User Fee Task Force; how best to make the case to Oregon voters that federal action is unlikely; how best to leverage federal funding; examples of performance measures; and balancing return on investment with equitable distribution of transportation funding.

Earthquake Early Warning System

Doug Toomey, Professor of Geological Sciences at University of Oregon, provided [testimony](#), a [slide presentation](#), a [letter](#) and related materials ([#1](#) and [#2](#)) regarding the opportunity for the state to invest in seismic monitors currently owned by the United States Geological Service (USGS). Oregon currently has fewer monitors than do other nearby states. He emphasized that early warning of an impending earthquake, even very short warning, could avert disaster by allowing trains to be stopped, pipelines to be shut down, etc.

Update on Climate Smart Communities Scenario Project

Jody Carson, West Linn City Councilor and Chair of the Metro Policy Advisory Committee (MPAC), provided [testimony](#) regarding scenario planning performed by Metro as required by the Jobs and Transportation Act (House Bill 2001, 2009). The planning involved three phases: testing of different approaches; discussion of how scenarios could be made consistent with local government visions; and analysis of the draft preferred scenario. The analysis, thus far, shows that while there are significant costs to implementation, the benefits gained exceed the costs of implementation.

Craig Dirksen, Metro Councilor and Chair of the Joint Policy Advisory Committee on Transportation (JPACT), provided [informational materials](#) and emphasized that the state's greenhouse gas (GHG) goals can be reached, while also achieving benefits such as greater physical activity of residents, lower environmental costs, less travel time delay and lower overall cost of vehicle ownership and operation. He noted that the estimated cost of the draft approach - \$24 billion – is actually less than the regional transportation plan. He concluded by noting that the primary barrier to success is financial rather than public resistance.

Committee comments and questions for this panel included: cost of implementation and whether any new revenues are anticipated; and appreciation that Portland is moving in the right direction.