

SENATE COMMITTEE ON
TRANSPORTATION

Hearing Room
Tapes - 34

SENATE COMMITTEE ON TRANSPORTATION MEMBERS PRESENT:

Sen. Ken Baker, Chair
Sen. Mae Yih, Vice-Chair
Sen. John Lim
Sen. Dick Springer

SENATE MEMBER EXCUSED:

Sen. Marilyn Shannon

HOUSE GENERAL GOVERNMENT AND REGULATORY REFORM SUBCOMMITTEE ON
TRANSPORTATION MEMBERS PRESENT:

Rep. Cedric Hayden, Chair
Rep. Lonnie Roberts, Vice-Chair
Rep. Jerry Grisham
Rep. Bill Markham
Rep. Ken Strobeck

HOUSE MEMBER EXCUSED:

Rep. Mike Lehman

STAFF PRESENT:

Janet Adkins, Senate Committee Administrator
Anne Tweedt, House Committee Counsel
Gina Rumbaugh, Senate Committee Assistant

MEASURES HEARD:

SB 881 Public Hearing

These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

Joint meeting of the Senate Committee on Transportation and the House
General Government and Regulatory Reform Subcommittee on Transportation.

TAPE , SIDE A

005 CHAIR BAKER: Calls the meeting to order (1:20PM).
-Introductory remarks

PUBLIC HEARING ON SB 881

Witnesses: Don Morisette, Metro Councilor
Craig Lomnicki, Mayor, City of Milwaukee
Andy Cotugno, Metro
Dick Feeney, Tri-Met
Robert Joseph, Esq., Schwabe, Williamson, & Wyatt

Ed Ianowski, Bond Counsel

020 DON MORISETTE, METRO COUNCILOR: Supports SB 881, and notes reasons why, including strong public support, tax benefits, jobs, and housing.

090 CHAIR HAYDEN: Would you be open to writing into the bill that renegotiation involving lottery dollars and bonding authority would be subject to a successful vote of the people?

MORISETTE: Yes, if Clark County doesn't come along, that would be acceptable to me.

115 CRAIG LOMNICKI, MAYOR, CITY OF MILWAUKIE: Supports SB 881. Reviews a number of important decisions by the region that has led up to this request, which includes avoiding pitfalls of congested cities, reducing air pollution, livability factor, good land use planning coupled with good transportation planning.

175 ANDY COTUGNO, METRO: Submits and summarizes response memo to Rep. Strobeck [EXHIBIT A] and response memo to Rep. Grisham [EXHIBIT B].

195 -East side of the Willamette, item 1, Exhibit B

220 -Oregon City extension, item 2, Exhibit B

245 -Air Quality Maintenance Plan, item 3, Exhibit B

275 SEN. SPRINGER: Concerned about impact on businesses. What is the project's responsibility for assisting businesses whose commercial activity is adversely affected?

COTUGNO: The project has a direct financial responsibility for any dislocation.

-Further detail about what the project may and may not compensate

CHAIR BAKER: Requests Mr. Cotugno follow-up on Sen. Springer's inquiry about the impact to businesses located downtown along the light rail route.

330 REP. GRISHAM: Is the Downtown Portland Oversight Committee the same committee that's currently looking at building a tunnel under the mall?

COTUGNO: No, the project is recommending a surface alignment and has asked this committee to help us design that alignment.

-In response to Rep. Grisham, a subway would cost an additional \$275 million; it's more cost-effective to be on the surface

385 REP. GRISHAM: Requests weekly progress report on the Westside tunnel.

-References letter in opposition to SB 881 [EXHIBIT C] and requests answers to the questions

425 CHAIR HAYDEN: What are we spending annually in lottery dollars for the Westside project, and when do those bonds pay out?

COTUGNO: The lottery bonding requirement is just under \$10 million per year; 2009 is a full bond payment of \$10 million, and 2010 is a partial bond payment of \$3.4 million.

TAPE 24, SIDE A

025 DICK FEENEY, TRI-MET: Introduces Robert Joseph, legal counsel.

030 ROBERT JOSEPH, ESQ., SCHWABE, WILLIAMSON & WYATT: Submits and reads testimony [EXHIBIT D].

095 FEENEY: Submits and summarizes Funding Plan for South/North Light Rail [EXHIBIT E].

140 -First Segment Bi-State Proposal, page 96, Exhibit E

155 -Construction Schedule and Financing, page 97, Exhibit E

210 -First Segment Oregon Only, page 99, Exhibit E

245 REP. ROBERTS: What is the starting date to begin construction?

FEENEY: 1998-1999; further explanation of schedule and funding.

280 REP. ROBERTS: Do you know who is going to be building the South/North line?

FEENEY: Tri-Met is the master contractor and we bid the rest of it out.

300 CHAIR HAYDEN: Is returning for a vote of the people a legal requirement?

310 ED IANOWSKI, BOND COUNSEL: There is no legal requirement for a vote; the ballot measure voters approved contains no express condition of a particular extension into Clark County, only that we will not issue bonds until we get a commitment of federal funds.

CHAIR HAYDEN: The ballot summary told people it would be on a certain route.

IANOWSKI: That's incorrect. There was a reference to a South/North line from Clackamas County to Clark County, but there was no particular route designated.

355 FEENEY: Explains process of how the exact alignment is determined.

CHAIR HAYDEN: If the process proceeds without a second vote of the people, would that make any potential purchasers of the bonds nervous?

IANOWSKI: I don't think we'd ever reach that point; if there was a legal question as to whether or not we are going beyond voter authorization, I would do a validation proceeding.

380 CHAIR HAYDEN: The letter, Exhibit C, says that potential litigation will be implemented.

IANOWSKI: We wouldn't wait for that attorney to initiate litigation; we would initiate it.

REP. GRISHAM: Are we committed to a specific route at this time?

IANOWSKI: The technical term is alignment; the broader term is route. We cannot pick an exact alignment until we go through the alternatives analysis that's required by federal law.

REP. GRISHAM: So it's still subject to interpretation as to where it may actually be sited?

FEENEY: It will be sited within the court order that has been selected; the specific alignment will be decided and Tri-Met will propose the details

of final engineering; there will be no broad changes after the location and alignment decisions have been made.

445 REP. GRISHAM: Would it be a broad change to go from the Blazer arena to North Portland?

FEENEY: That's within the I-5 corridor that's being proposed for this improvement.

TAPE 33, SIDE B

020 FEENEY: In response to Rep. Hayden's earlier question, references Exhibit E, page 94, 3(d); there'd be an advisory vote if Clark County is not a part.

CHAIR BAKER: Does an advisory vote mean you already have the authorization to proceed, but just want to get second approval from citizens?

FEENEY: There can be a lot of interpretations.

045 CHAIR HAYDEN: Asks for clarification of Feeney's statement regarding an advisory vote.

IANOWSKI: At this point we have authorization from voters. If the project changes, regardless of whether it's required legally, we will go to the voters to keep faith with them.

070 CHAIR HAYDEN: So you wouldn't have any concern at all about having the bonding authority and the lottery fund expenditure contingent upon a binding vote of the people?

IANOWSKI: It would only bother me in that it would hamstring us in getting the necessary federal funding.

CHAIR HAYDEN: Requests further clarification about if Tri-Met will defer to a vote of the people or not, and results of the potential outcome.

FEENEY: Explains difference between an advisory vote and a binding vote.

115 CHAIR HAYDEN: Whether the vote is advisory or binding, is there any situation in which you would interpret the vote to be no and, thus, would not build the project at all?

FEENEY: Yes, that's correct.

125 SEN. YIH: Concerned that funding for operating costs is not certain.

150 FEENEY: References memo prepared for Sen. Yih [EXHIBIT F]; we will not build this project unless we know we can operate it; the federal government

will not sign a contract with us to construct this project until we can prove we can operate it

-Discusses Operation and Maintenance Budget, Exhibit F

SEN. YIH: What if voters don't approve operating expenses?

FEENEY: If they don't approve operating expenses and, if we cannot indicate to the federal government that we have sufficient monies to operate it, we cannot build the project.

SEN. YIH: But you're asking us to commit \$475 million before you go to voters and ask for approval of operating costs.

FEENEY: We're asking you to give ODOT the authority to commit to a project that has the okay from the federal government to build, and it will not have that okay unless we can prove we can operate it.

210 CHAIR BAKER: In response to Sen. Yih's concerns, briefly summarizes impact of the legislature's conditional approval.

240 REP. GRISHAM: References Exhibit E, page 95 (3a), and requests further explanation.

FEENEY: In response, references page 100, and explains numbers.

REP. GRISHAM: What happens if this project doesn't go forward?

FEENEY: Then there is no commitment of any money. SB 881 specifically states that the director of ODOT cannot release any money until local and federal approvals are in place.

REP. GRISHAM: Questions Westside debt retirement.

315 IANOWSKI: Explains how the Westside debt service is paid on those bonds already issued.

ANNOUNCEMENTS

355 SEN. LIM: Announces public hearing on transportation issues, March 30th at 7:00PM, Gresham City Hall.

CHAIR BAKER: Adjourns the meeting (2:40PM).

Submitted by, Reviewed by,

Gina Rumbaugh Janet Adkins
Committee Assistant Committee Administrator

EXHIBIT SUMMARY: (all of the following exhibits are on SB 881)

- A - Memo to Rep. Strobeck -- Andy Cotugno -- 2 pages
- B - Memo to Rep. Grisham -- Andy Cotugno -- 2 pages
- C - Letter and informational material -- Henry Kane -- 17 pages
- D - Testimony -- Robert Joseph -- 3 pages
- E - Funding information -- Dick Feeney -- 12 pages
- F - Memo to Sen. Yih -- Dick Feeney -- 3 pages