

SENATE COMMITTEE ON
TRANSPORTATION

Hearing Room
Tapes - 44

MEMBERS PRESENT:

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

STAFF PRESENT:

Janet Adkins, Committee Administrator
Gina Rumbaugh, Committee Assistant

MEASURES HEARD:

SB 881 Public Hearing and Work Session
SB 882 Public Hearing and Work Session
SB 1107 Public Hearing and Work Session

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.

TAPE , SIDE A

003 CHAIR BAKER: Calls the meeting to order (1:30PM) and opens as a subcommittee.

PUBLIC HEARING ON SB 881, SB 882, SB 1107

Witnesses: Henry Kane, Beaverton, Oregon
Chuck Smith, Debt Management Division, Oregon State Treasury
Bill Nessly, Assistant Attorney General, Oregon Department of Justice
Denise McPhail, Portland General Electric
Dick Feeney, Tri-Met
Bob Stacey, Esq., Ball, Janik and Novack
Jim Sitzman, Oregon Department of Land Conservation and Development

005 ADMINISTRATOR ADKINS: Enters into the record 23 letters supporting [EXHIBITS A through W] and one letter opposing SB 881 [EXHIBIT X].

CHAIR BAKER: Enters into the record letter from Michael Holstun, Oregon Land Use Board of Appeals, stating no concerns regarding SB 882 [EXHIBIT Y].

Committee begins operating as a full committee.

020 HENRY KANE, BEAVERTON, OREGON: Opposes SB 881. Submits and summarizes testimony and informational material [EXHIBIT Z].

040 -Major financial concerns
125 -Ridership/population issue

200 CHUCK SMITH, DEBT MANAGEMENT DIVISION, OREGON STATE TREASURY: Submits and reads testimony regarding overall debt management for the State of Oregon and how a financing program for light rail may fit within that total context [EXHIBIT AA].

CHAIR BAKER: You're saying that the use of revenue bonds in this method would not injure the state and would be looked at most likely favorably by bond lenders?

SMITH: Yes.

280 SEN. YIH: Why are you recommending certificates of participation (COP's) for prison construction, while recommending revenue bonds backed by lottery for light rail?

SMITH: Explains why prisons are an ideal project for COP financing. The Treasury's goal was to try to spread financing to other sources of revenue other than the general fund, therefore our recommendation of lottery bonds backed by lottery revenues.

310 SEN. YIH: I want to know whether it's better to use general fund obligation bonds for prisons rather than use COP bonds for prisons.

SMITH: The state currently has no constitutional authority to sell general obligation bonds to be used for prison construction.

SEN. SHANNON: Has anyone tested certificates of participation in the Supreme Court to see if they are legal?

SMITH: Yes, Mr. Henry Kane tested those in the Oregon Supreme Court, and lost.

340 CHAIR BAKER: Confirms with Mr. Smith and Mr. Nessly that both the Treasury and the Department of Justice have looked at SB 881 and don't find any obvious deficiencies.

350 SEN. LIM: Concerned we make sure that the South/North Light Rail Project is considered part of economic development, and that there be no lawsuit later on in this matter.

BILL NESSLY, ASSISTANT ATTORNEY GENERAL, OREGON DEPARTMENT OF JUSTICE: Section 2 of the proposed bill contains legislative findings that the use of the lottery monies for this project will promote economic development.

390 DENISE McPHAIL, PORTLAND GENERAL ELECTRIC: Also advocating on behalf of U.S. West and Northwest Natural Gas; strike Pacific Power and Light from written testimony. Submits and reads testimony, which includes proposed amendment attachment [EXHIBIT BB].

-Walks through SB 881-1 amendments [EXHIBIT CC]; emergency clause can be removed

-Confirms the proposed amendment is specific to SB 881 only

025 KANE: Testifies on SB 882.

-The bill is the updated equivalent of SB 573 from 1991 regarding Westside Light Rail

050 -It's designed to make an effective appeal of any decision impossible; urges the public be given due process of law; one cannot effect an appeal under the current time constraints

120 -Particularly opposes Section 13

CHAIR BAKER: Staff will provide you with the Activity/Timeline chart.

-Will go into a work session today for amendments; will address the bills again next week

SEN. SHANNON: Have you submitted any verbiage that would make it easier to appeal?

KANE: No, but I urge the bill be amended so that citizens be allowed to cross-examine

Tri-Met witnesses.

SEN. SHANNON: It has to be in the bill or that won't happen?

KANE: That's correct.

180 DICK FEENEY, TRI-MET: Submits and summarizes testimony on proposed amendments to SB 882 [EXHIBIT DD], which are included in SB 882-1 [EXHIBIT EE].

220 -Submits and summarizes testimony on SB 1107 [EXHIBIT FF]

295 CHAIR BAKER: Please comment on the timing of SB 1107.

FEENEY: We are still trying to have C-Tran involved. We decided to go ahead with this legislation at this time because with the attention of this

session of the legislature, we would be ready for a subsequent session of the Washington State legislature; if they have questions or changes they want to make, then we'd have ample time to deal with it. However, we cannot assert that C-Tran is still a part of this project.

340 ADMINISTRATOR ADKINS: The bi-state Authority isn't referred to in SB 881 or SB 882. How do they work together if the bills just say Tri-Met or ODOT?

BOB STACEY, ESQ., BALL, JANIK AND NOVACK: The objective of the compact legislation is to assure efficient construction and operation of the South/North line. The land use legislation is intended to govern review of

the decision on alignment and routing of the facility, which will be made by the two transit agencies. The Authority takes over at the point the decision is made on the alignment.

ADMINISTRATOR ADKINS: Question regarding Article 10 of the original bill regarding a quorum and a majority vote.

STACEY: It would be wise for the membership of both organizations to have an active role in the governance of the board.

400 CHAIR BAKER: Mr. Feeney, did you see the SB 881-1 amendments proposed by PGE?

FEENEY: Yes, but we're are not prepared to accept them at this time. We have some concerns, and would like to discuss the amendments further with

PGE.

TAPE 43, SIDE B

020 SEN. YIH: Does this mean that Washington State has to pass a similar compact by their legislature in order for this to work?

FEENEY: On SB 1107, they'd have to pass basically the same legislation.

SEN. YIH: What's the deadline for passage of the compact by both states?

FEENEY: Probably by the end of 1997.

SEN. YIH: You don't have to have the compact before you go to Congress?

FEENEY: That's correct; we need the compact in order to govern construction of the project.

CHAIR BAKER: Intent to move forward on amendments to SB 881, SB 882, and SB 1107; have staff hand-engage, and then look at the bills again next week.

WORK SESSION ON SB 881

055 MOTION: CHAIR BAKER MOVES TO ADOPT SB 881-1 AMENDMENTS DATED 3/30/95 [EXHIBIT CC], WITHOUT THE EMERGENCY CLAUSE

VOTE: FOUR MEMBERS PRESENT, HEARING NO OBJECTIONS THE AMENDMENTS ARE ADOPTED; SEN. SPRINGER IS EXCUSED

WORK SESSION ON SB 882

065 MOTION: CHAIR BAKER MOVES TO ADOPT SB 882-1 AMENDMENTS DATED 3/30/95 [EXHIBIT EE]

ADMINISTRATOR ADKINS: The amendments take care of one of Mr. Kane's objections; the petitioner does not have to have actual damage or live within site and sound of the project.

VOTE: FOUR MEMBERS PRESENT, HEARING NO OBJECTIONS THE AMENDMENTS ARE ADOPTED; SEN. SPRINGER IS EXCUSED

WORK SESSION ON SB 1107

085 MOTION: CHAIR BAKER MOVES TO ADOPT SB 1107-1 AMENDMENTS DATED 3/30/95 [EXHIBIT GG]

105 CHAIR BAKER: Please explain the capital contribution language in SB 1107.

STACEY: The amendments establish a methodology by which the Authority will determine appropriate budgeting for the construction of the light rail line; they also establish an accounting system for the receipt of money from the two states as well as the federal government's contribution, and will provide for expending those funds to build the line.

VOTE: FOUR MEMBERS PRESENT, HEARING NO OBJECTIONS THE AMENDMENTS ARE ADOPTED; SEN. SPRINGER IS EXCUSED

WORK SESSION ON SB 881

120 ADMINISTRATOR ADKINS: Blank line needs to be filled in on page 2, line 17.

FEENEY: Submits and references testimony that includes two amendments [EXHIBIT HH], \$40 million on page 2, line 17, and 1999 in place of 1998 on page 5, line 29.

160 MOTION: CHAIR BAKER MOVES SB 881 BE FURTHER AMENDED ON PAGE 5, LINE 29, DELETE "1998" AND INSERT "1999", AND ON PAGE 2, LINE 17, DELETE THE BLANK LINE AND INSERT "40"

VOTE: FOUR MEMBERS PRESENT, HEARING NO OBJECTIONS THE AMENDMENTS ARE ADOPTED; SEN. SPRINGER IS EXCUSED

PUBLIC HEARING ON SB 881, SB 882, SB 1107

170 ADMINISTRATOR ADKINS: Presents question from legislative revenue office regarding tax exemption portions of SB 1107, Article 16.

STACEY: Agrees technical amendments need to be made. Explains the purpose of the provision and the taxes; also notes technical difficulties with the the language.

CHAIR BAKER: Requests those amendments be ready by next Thursday, so the committee can move the bill.

FEENEY: Briefly eferences memo regarding fiscal impact for SB 882 and SB 1107 [EXHIBIT II].

245 JIM SITZMAN, OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT: In a case of this magnitude with the multiple jurisdicitons involved, and the many land use decisions that need to be made, and the critical nature of the timing in order to obtain federal support, it is prudent to have legislation of this kind in place.

SEN. YIH: Is this legislation similar to the siting for the super collider?

SITZMAN: This legislation is more of a modification of the existing system as opposed to an alternative to the existing system, as was the super collider.

SEN. YIH: Is this similar to the process that was designed for prison siting?

SITZMAN: It's most similar to what was done in 1991 for the Westside Light Rail.

300 ADMINISTRATOR ADKINS: What's the difference between a limited and a non-limited land use decision?

SITZMAN: Technically, this doesn't fall under the definition of a limited land use decision; briefly defines a limited land use decision.

315 CHAIR BAKER: Adjourns the meeting.

Submitted by, Reviewed by,

Gina Rumbaugh Janet Adkins
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Letter on SB 881 -- Staff (on behalf of Andrew Janssen) -- 1 page
B - Letter on SB 881 -- Staff (on behalf of Mart Hughes) -- 2 pages
C - Letter on SB 881 -- Staff (on behalf of Marie Phillippi) -- 1 page
D - Letter on SB 881 -- Staff (on behalf of James May) -- 1 page
E - Letter on SB 881 -- Staff (on behalf of North Clackamas County Chamber)
-- 2 pages
F - Letter on SB 881 -- Staff (on behalf of Douglas Hartman) -- 1 page
G - Letter on SB 881 -- Staff (on behalf of Robert Elliott) -- 1 page
H - Letter on SB 881 -- Staff (on behalf of V. Libson) -- 1 page
I - Letter on SB 881 -- Staff (on behalf of Steve Fosler) -- 1 page
J - Letter on SB 881 -- Staff (on behalf of C. Bernhardt) -- 1 page
K - Letter on SB 881 -- Staff (on behalf of Jim Ringelberg) -- 1 page
L - Letter on SB 881 -- Staff (on behalf of Bob Peterson) -- 1 page
M - Letter on SB 881 -- Staff (on behalf of Chris Utterback) -- 1 page
N - Letter on SB 881 -- Staff (on behalf of Gerri Sue Lent) -- 1 page
O - Letter on SB 881 -- Staff (on behalf of Milwaukee Downtown Dev. Assoc.)
-- 1 page
P - Letter on SB 881 -- Staff (on behalf of David Mariman) -- 1 page
Q - Letter on SB 881 -- Staff (on behalf of Karen Williams) -- 1 page
R - Letter on SB 881 -- Staff (on behalf of Carolyn Tomei) -- 1 page
S - Letter on SB 881 -- Staff (on behalf of Gary Michael) -- 1 page
T - Letter on SB 881 -- Staff (on behalf of Kathy Wheeler) -- 1 page
U - Letter on SB 881 -- Staff (on behalf of Margaret Dickerson) -- 1 page
V - Letter on SB 881 -- Staff (on behalf of Clackamas County Business Round
Table) -- 2 pages
W - Letter on SB 881 -- Staff (on behalf of Bill Robertson, Tri-Met Board
of Directors) -- 1 page
X - Letter on SB 881 -- Staff (on behalf of Henry Kane) -- 7 pages
Y - Letter on SB 882 -- Staff (on behalf of Michael Holstun, Land Use Board
of Appeals) -- 1 page
Z - Testimony and informational material on SB 881 -- Henry Kane -- 44
pages
AA - Testimony on SB 881 -- Chuck Smith -- 2 pages
BB - Testimony and proposed amendment on SB 881 -- Denise McPhail -- 2
pages
CC - SB 881-1 -- Staff -- 1 page
DD - Testimony on SB 882 -- Dick Feeney -- 1 page
EE - SB 882-1 -- Staff -- 6 pages
FF - Testimony on SB 1107 -- Dick Feeney -- 2 pages
GG - SB 1107-1 -- Staff -- 6 pages
HH - Testimony on SB 881 -- Dick Feeney -- 3 pages
II - Fiscal impact memo on SB 882 and SB 1107 -- Dick Feeney -- 1 page