

SENATE COMMITTEE ON  
TRANSPORTATION

Hearing Room  
Tapes - 46

SENATE COMMITTEE ON TRANSPORTATION MEMBERS PRESENT:

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

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

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

STAFF PRESENT:

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

MEASURES HEARD:

SB 284 Work Session  
SB 626 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

WORK SESSION ON SB 284

010 MOTION: CHAIR BAKER MOVES THAT SB 284 BE RETURNED TO THE PRESIDENT'S  
DESK WITH A LETTER REQUESTING THAT THE BILL BE REFERRED TO THE RULES AND  
ELECTIONS COMMITTEE WITHOUT RECOMMENDATION AS TO ITS PASSAGE

VOTE: ALL MEMBERS ARE PRESENT, HEARING NO OBJECTIONS THE MOTION CARRIES

PUBLIC HEARING ON SB 626

Witnesses: David Haugeberg, Chair, Yamhill County Parkway Committee  
Senator Marylin Shannon, Senate District 15, State of Oregon  
Representative Patti Milne, House District 38, State of Oregon  
Representative Leslie Lewis, House District 29, State of Oregon  
Senator Joan Dukes, Senate District 1, State of Oregon

Marilyn Dell, McMinnville, Oregon  
Ralph Stanley, United Infrastructure Company  
David Wiegand, Executive Director, Mid-Valley Rehabilitation Inc.  
Len McCoy, Newberg, Oregon  
Richard Perez, Oregon  
Vincent Mekkers, Pres., First Federal Savings and Loan, McMinnville, Oregon  
John Charles, Executive Director, Oregon Environmental Council  
Keith Bartholomew, 1,000 Friends of Oregon  
Mary Phillips, Amity, Oregon  
Roger Worrall, Newberg, Oregon

015 DAVID HAUGEBERG, CHAIR, YAMHILL COUNTY PARKWAY COMMITTEE: Supports SB 626. Gives background information on the bill, reasons why it's needed, and how it benefits Oregon.

CHAIR BAKER: Confirms Mr. Haugeberg is the primary drafter of the bill; notes the committee needs his input as they look at some technical amendments.

110 SEN. MARYLIN SHANNON, SENATE DISTRICT 15, STATE OF OREGON: Supports SB 626. Hopes the Newberg/Dundee project will be a model for the state.

120 REP. PATTI MILNE, HOUSE DISTRICT 38, STATE OF OREGON: Supports SB 626.

125 REP. LESLIE LEWIS, HOUSE DISTRICT 29, STATE OF OREGON: Supports SB 626.

After talking with ODOT, concludes the only way the bypass can be funded in a reasonable length of time is through the use of alternative funding.

REP. ROBERTS: How much highway does \$115 buy?

HAUGEBERG: Between nine and 10 miles.

REP. ROBERTS: Once this is paid off, do the tolls come down?

HAUGEBERG: Legislation provides that there must be a sunset on every toll facility.

REP. ROBERTS: Do you have any federal money?

HAUGEBERG: The federal money would be a result of ODOT bringing money to the table from federal and state funds as a part of this project.

155 SEN. YIH: How is this project funded, and how do you determine the toll charge?

HAUGEBERG: The private developer could either bring their own funding from investors, or the bill also provides a mechanism where revenue bonds could be sold by the State of Oregon. The amount of the toll is determined by ODOT and the developer after careful review.

SEN. YIH: After 40 years, the ownership reverts to the state?

HAUGEBERG: Yes, that's correct. If the toll facility were paid off prior to 40 years, it would revert to the state at that time.

180 SEN. SHANNON: With Senator Mark Hatfield and Representative Bunn on Appropriations, I would think we'd be able to get some federal money.

SEN. SPRINGER: What was the percentage of people who supported this?

HAUGEBERG: Don't have a specific percentage, but nearly unanimous support.

SEN. SPRINGER: If you live in Newberg, you're not going to use the toll road and pay.

HAUGEBERG: Many people in McMinnville signed the petition who would use and pay.

SEN. SPRINGER: Why are these people going to support a gas tax increase then?

HAUGEBERG: Per ODOT, a gas tax increase is still not going to build this facility.

SEN. SPRINGER: Comments that if a community can afford it, they get it; if they can't afford it, they don't get it, and that is really going to hurt rural Oregon.

230 REP. ROBERTS: Is it correct that you save time, but not distance?

HAUGEBERG: Yes.

235 REP. LEWIS: Responds to Sen. Springer's question regarding the gas tax.

Even with increases in the gas tax revenue, it would be 50 years before the bypass is built.

255 REP. ROBERTS: Comments that he likes the toll facility idea because if someone doesn't use it, they don't have to pay for it.

265 SEN. JOAN DUKES, SENATE DISTRICT 1, STATE OF OREGON: Offers suggestions.

-Limit toll facilities to roads

300 -Require ODOT work with local governments to determine what the repercussions will be to other local jurisdictions' roads

340 -Authorize only one or two pilot projects

380 -Suggests a transportation funding summit between legislative members and ODOT

415 REP. ROBERTS: What is your definition of a road when you say restrict it to roads?

SEN. DUKES: I was actually saying no bridges.

CHAIR BAKER: ORS 381.005 provides that the State of Oregon can contract with the State of Washington for toll bridges.

SEN. DUKES: Yes, that's correct. Notes there isn't much interest on the Washington side, and toll bridges could hurt Oregon businesses as well.

475 -Comments on success of temporary toll on the Astoria bridge

TAPE 46, SIDE A

025 MARILYN DELL, McMINNVILLE, OREGON: Supports SB 626, and notes reasons why. Newberg downtown redevelopment is not possible due to the traffic problem. Has spoken to federal transportation people in Washington DC about how toll roads are working nationwide.

085 REP. ROBERTS: Does technology exist for an electronic device to monitor vehicles so a bill can be sent instead of people stopping and paying?

DELL: Yes, the technology exists.

SEN. YIH: What other states have sponsored privately built toll projects?

DELL: Approximately six projects, including California and a couple states in the South; will provide you with further information.

SEN. YIH: Have those projects been successful?

DELL: Most are fairly new, but there doesn't appear to be obstacles in the process thus far.

SEN. YIH: Federal money is available for private funds?

DELL: Federal money is available for portions of projects that are toll roads; I was particularly looking at ISTEA funds.

125 SEN. SPRINGER: It appears that this could be used to get around our prevailing wage laws that apply to public projects.

HAUGEBERG: States that is not the intent of the bill.

CHAIR BAKER: We can come back and look at that with amendments.

SEN. SHANNON: Comments that Oregon state law already requires any public project over \$10,000 comply with the Little Davis Bacon.

All House members leave the meeting

150 RALPH STANLEY, UNITED INFRASTRUCTURE COMPANY: Submits and expands on testimony [EXHIBIT A], beginning with a summary of his background.

240 -Public Sector Responsibilities, page 9, Exhibit A

310 -Private Sector Responsibilities, page 12, Exhibit A

400 SEN. YIH: You say that loans are available to states, not grants?

STANLEY: ISTEA says you have the flexibility to take that which is grant money and put it out as a loan. Further explains his answer and offers suggestions to ODOT.

TAPE 45, SIDE B

015 SEN. YIH: Asks for further clarification about a loan or a grant.

STANLEY: The idea was to blend the ability to issue a revenue bond with money that formally would go as a grant; that repayment goes back to the state and, once it's repaid over the life of the franchise, the money can be used again for transportation purposes and is deemed state money, with all of the federal requirements dropped off.

Rep. Hayden returns

060 SEN. YIH: Is this a revolving loan fund? We loan you this much money and, if it's all repaid, you can keep it for a loan again?

STANLEY: You keep it--it's a loan from the state to the entity created for the project. It says this state is behind this project for up to a 30 year period, which gives lenders assurance. Expands on explanation.

SEN. YIH: If it's a loan to the state, what's the advantage of involving the private sector?

STANLEY: The idea was to blend loans from the state; cites Virginia example. Advantages include additional money in revenue bonds, the private sector is more likely to build a facility on time and on budget, and people don't trust the public sector to remove the toll.

120 SEN. YIH: Does the state take over if the revenue stream doesn't meet

expectations?

STANLEY: The facility can revert to the state, but there's major motivation for developers for that not occur. The revenue bond obligation belongs to the private sector.

Rep. Strobeck returns

155 SEN. YIH: Asks for further clarification on the portion paid by a loan from the federal government.

STANLEY: Further explains, and gives example.

200 DAVID WIEGAN, EXECUTIVE DIRECTOR, MID-VALLEY REHABILITATION: Supports SB 626. Submits and summarizes testimony [EXHIBIT B]. The traffic problem

is adding to the cost of products and making the company less competitive.

245 LEN McCOY, NEWBERG, OREGON: Supports SB 626. Submits and summarizes testimony [EXHIBIT C]. Concerned about the social aspects of the community.

300 RICHARD PEREZ, OREGON: Supports SB 626. Concerned about how transportation needs are going to be funded. Counters several arguments against building a toll facility.

Reps. Grisham and Lehman return

380 VINCENT MEKKERS, PRESIDENT, FIRST FEDERAL SAVINGS AND LOAN, McMinnville,

OREGON: Supports SB 626. Gas taxes are not project specific, whereas a toll facility is project specific. Growth will continue with or without a bypass, but a bypass will ease the pressure. Creative funding frees up money for other projects.

TAPE 46, SIDE B

005 JOHN CHARLES, EXECUTIVE DIRECTOR, OREGON ENVIRONMENTAL COUNCIL: Supports SB 626. Submits and summarizes testimony, and references included

informational material [EXHIBIT D].

050 KEITH BARTHOLOMEW, 1,000 FRIENDS OF OREGON: In favor of the principle of pay as you drive, but addresses several concerns.

CHAIR BAKER: Offers representatives from ODOT, AAA, and AOC ability to submit written testimony.

100 MARY PHILLIPS, AMITY, OREGON: Opposes SB 626. Submits and summarizes testimony [EXHIBIT E].

SEN. SHANNON: In response to Ms. Phillips, states there is no PERS money.

155 ROGER WORRALL, NEWBERG, OREGON: Supports SB 626. From a business perspective, if customers can't get to the front door, then business suffers.

190 CHAIR BAKER: Adjourns the meeting (2:55PM).

Submitted by, Reviewed by,

Gina Rumbaugh Janet Adkins  
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

- A - Testimony on SB 626 -- Ralph Stanley -- 15 pages
- B - Testimony on SB 626 -- David Wiegand -- 1 page
- C - Testimony on SB 626 -- Len McCoy -- 2 pages
- D - Testimony and informational material on SB 626 -- John Charles -- 20 pages
- E - Testimony on SB 626 -- Mary Phillips -- 1 page
- F - Testimony on SB 626 -- Debra Downey, AAA -- 1 page
- G - Testimony on SB 626 -- Gary Johnson, ODOT -- 2 pages