

MINUTES

Metropolitan Policy Committee
Springfield Library Meeting Room - 225 5th Street - Springfield

May 13, 2004
11:30 a.m.

PRESENT: Bonny Bettman, Chair, Jim Torrey (City of Eugene), Bill Dwyer, Bobby Green (Lane County), Sid Leiken, Anne Ballew (City of Springfield), Susan Ban (Lane Transit District), John Thiel (City of Coburg), Tom Boyatt (Oregon Department of Transportation) members; Jim Carlson (City of Eugene), Ken Hamm (Lane Transit District), Mike Kelly (City of Springfield), Mike Hudson (City of Coburg), *ex officio* members.

Randy Papé (Oregon Transportation Commission), George Kloeppe, Byron Vanderpool, Tom Schwetz, Carol Heinkel, Ann Mortenson (Lane Council of Governments), Jim Whitty (Oregon Department of Transportation), Mark Ford (HDR Engineering).

ABSENT: Gerry Gaydos member; Bill Van Vactor *ex officio* member.

1. CALL TO ORDER/WELCOME AND INTRODUCTIONS

Ms. Bettman called the meeting of the Metropolitan Policy Committee (MPC) to order at 11:30 a.m. She welcomed those present and asked members to introduce themselves.

Mr. Torrey announced that he would have to leave the meeting as 11:45 to attend another meeting.

2. APPROVE APRIL 8, 2004, MINUTES

Ms. Bettman submitted the following corrections to the April 8, 2004, minutes (additions in ***bold italics***, deletions in ~~strike-through~~):

Page 3, third full paragraph, correct typographical error: likes.

Page 4, 5th paragraph, last sentence: “She commented that . . . ***this motion*** ~~there~~ was an opportunity”

Page 5, 2nd paragraph, last sentence: “She said . . . things that were ***needed while spending available funds on what is wanted*** ~~needed and wanted~~”

Mr. Dwyer moved, seconded by Mr. Torrey, to approve the minutes of the Metropolitan Policy Committee meeting of April 8, 2004, as corrected. The motion passed 8:0:1, Mr. Thiel abstaining.

Mr. Green entered the meeting.

3. COMMENTS FROM THE AUDIENCE

Rob Zako, representing 1000 Friends of Oregon, said he had good news, bad news, and a word of advice. He said the good news was that he wanted to commend the Metropolitan Policy Committee and staff for making good progress on how decisions are made, public involvement, and providing better information to the community. He cited as an example the packet on the latest State Transportation Improvement Program (STIP). He said the bad news was he thought Lane County could do a little better in its materials, that they were not up to the standards of the other jurisdictions, and Lane County was doing itself a disservice by not providing more information and going through more thorough processes in considering priorities. He said his word of advice came from Diane Dietz' article on wetlands in *The Register Guard* on Wednesday, May 12, 2004, and it was that sometimes it is good to stay the course, but sometimes leadership calls for asking hard questions and saying could we be doing something differently?

Rob Handy, 455 ½ River Road, spoke on Metro Plan text amendments related to urban services delivery. He said he appreciated that local governments have financing limitations and are looking for greater flexibility in providing urban service delivery. He showed a copy of the River Road/Santa Clara Urban Services Committee report that talked about the need for greater trust, representation, equity, and collaboration in dealing with urban service delivery issues. He said he appreciated that LCOG staff has a fairly comprehensive plan and an ambitious timeline for Metro Plan amendments, but asked that MPC members apply some of the things learned, not just in River Road/Santa Clara, over a couple of decades of issues, about getting citizen input frontloaded so that people can get on board with what government is trying to do.

4. MPO ISSUES

Ms. Bettman, with assent from the members, removed Item 4d, Regional Transportation Plan (RTP) Update Status, from the agenda.

Ms. Bettman said she had asked Eugene City Manager Dennis Taylor several months previously about alternating venues for the MPC meetings. She said Mr. Taylor reports the Eugene Public Library is available. Ms. Bettman said she would like MPC members to consider alternating meetings between Springfield and Eugene. After brief discussion, members agreed to direct LCOG staff to make arrangements for alternating meetings between Springfield and Eugene.

a. ODOT MTIP Project Amendment

Mr. Schwetz made the staff report. He explained that this item involves amending the Central Lane Metropolitan Transportation Improvement Program (MTIP) by adding a project to it, and the MPC today is being asked to open a public comment period for the amendment. The project being added is to prepare an Environmental Impact Statement (EIS) for the replacement bridge on I-5 over the Willamette River.

Mr. Boyatt added that ODOT has identified \$2.75 million funding to undertake the environmental work on the structure. In order for ODOT to release funds, he said, the bridge EIS project must be in the Central Lane MTIP.

Mr. Dwyer moved, Mr. Green seconded, to open the public comment period on the draft Metropolitan Transportation Improvement Program until June 10, 2004.

Ms. Bettman asked what information the public would have to comment on. Mr. Kloeppel answered that staff can describe on the website what will be involved in doing the environmental assessment.

The motion to open the public comment period passed unanimously, 9:0.

Mr. Torrey left the meeting at 11:50 a.m.

b. FY03-04 & FY 04-05 Urban Planning Work Program (UPWP) Amendments

Mr. Schwetz gave the staff report. He explained the item was similar to an action the MPC took to amend the UPWP to add tasks from the Cities of Springfield and Eugene. He said the City of Coburg applied for \$60,000 in Transportation Program funds for planning, spread over fiscal years 2004 and 2005, and identified the tasks they will undertake. Mr. Schwetz said the funds will be used to update the Coburg transportation plan and coordinate it with the update of the regional transportation plan.

Mr. Dwyer moved, seconded by Mr. Green, to adopt amendments to the Urban Planning Work Program. The motion passed unanimously, 8-0.

c. RUFFT Pilot Project

Ms. Bettman deferred this item until the presenters arrived.

d. Regional Transportation Plan

This item was removed from the agenda at the beginning of the meeting.

e. MPO Calendar and Information Items

1) Invitation from Portland Metro to June 4th, 2004, MPO Summit

Ms. Ballew confirmed that she is attending the summit. Mr. Kloeppel said members attending should contact LCOG staff if they want to make transportation arrangements.

2) Upcoming MPO Calendar Activities

Mr. Schwetz reviewed activities on the calendar.

5. CABLE ISSUES: AUTHORIZATION FOR BINDING ARBITRATION

Mr. Vanderpool gave the staff report. He said staff was suggesting at the start of the meeting that the item be pulled from the agenda, given that there had been a settlement with the City of Los Angeles the previous Thursday, May 6, 2004, and staff was trying to get more information on the settlement. He said he now understands that some MPC members do not agree with pulling the item, and staff would like to hear MPC direction on moving forward on the arbitration.

Mr. Dwyer said he felt only the threat of litigation would be effective, and he advocated moving ahead with authorization for binding arbitration.

Mr. Leiken said unanimous direction from Springfield City Council was to delay authorization for arbitration for one month and come back to it again after the Los Angeles settlement had been reviewed.

Ms. Bettman said the Eugene City Council had voted to move ahead with arbitration, because the City's legal counsel thought the Los Angeles settlement would not affect the outcome of Eugene's issues. She noted that Eugene is paying for the preponderance of the arbitration, and the City Council felt enough time had been spent investigating options and trying to negotiate.

She asked Mr. Carlson if it would prejudice the ability to arbitrate if the arbitration was delayed. Mr. Carlson said there was no time frame involved, so there would be no prejudice in a one-month delay.

Mr. Green stated he personally supported a one-month delay, as the Springfield City Council voted, but that was not the majority position of his board.

Mr. Dwyer moved, Mr. Green seconded, to proceed with the arbitration. The motion failed, 3:2, with Ms. Ballew and Mr. Leiken voting no.

Ms. Bettman asked staff to bring the issue back to MPC at the next meeting, and Mr. Vanderpool confirmed staff intended to do that.

6. METRO PLAN ISSUES

a. Metro Plan Text Amendments Related to Urban Services Delivery Scope of Work

Mr. Kloeppel said this was an information item on the MPC agenda the previous month, with insufficient time to attend to it, and it was back on the agenda with an updated status based upon the three jurisdictions party to the Metro Plan. He said staff is moving forward with the proposed scope of work.

Mr. Carlson said he wanted to clarify that the City of Eugene did not have an issue with moving forward, but was not opposed to Lane County and Springfield moving forward. He said it was not a high priority for the Eugene City Council.

Mr. Dwyer said the Lane County Board of Commissioners never formally voted to move forward, either.

Ms. Bettman said that was her question to staff, that it seemed a major policy issue in the Metro Plan, and could staff move forward on one of the foundational policies of the Metro Plan without approval? She said the scope of work overreaches what the Joint Elected Officials (JEO) asked for at their February 10, 2004, meeting. Ms. Bettman said she thought she heard the JEO ask for the MPC to deliberate on whether to move forward. She thought the MPC would have the discussion at its meeting and take that discussion back to their respective bodies, and then vote whether they wanted to move forward. She asked if there was documentation that delineates the process for moving forward.

Ms. Heinkel said the minutes of the JEO meeting did not make it clear what the consensus of the group was. She said the minutes reflected interest in bringing a scope of work to MPC for discussion, but that it would be referred to the individual jurisdictions for decision. She said she was not aware that the County Board of Commissioners had not discussed the issue.

Ms. Bettman said the Eugene City Council has not discussed the scope of work, and the outlined process gets pretty far down the line before there is final approval. She asked what the law is.

Ms. Heinkel said if any of the three jurisdictions wanted to initiate an amendment to the Metro Plan text, they could do that. This scope of work gives all three jurisdictions the opportunity to look at the question in a broader perspective at the outset, to see what agreement is present on amending the Metro Plan, and what would be the best way to approach it.

Ms. Bettman asked about the difference in Springfield initiating an amendment, as opposed to this kind of plan. Ms. Heinkel replied that Chapter 4 of the Metro Plan says that one jurisdiction can initiate the amendment, and that would be an alternative process for what staff proposed. Ms. Bettman said she would like to see a comparison of the two processes. Ms. Heinkel said she believed the difference was in how the amendment was initiated; all three jurisdictions would still need to hold hearings and to adopt the amendment. She said the only difference in the staff proposal here was that they were proposing the jurisdictions have the discussion about the amendment jointly.

Mr. Dwyer said he thought the proposed plan was presumptive, and that staff were leading policy makers. Mr. Kloepfel said staff was trying to show policy makers what the steps would be.

Mr. Dwyer moved to table the item.

Mr. Carlson noted that the item was not an action item. Ms. Bettman said if the MPC takes no action, a very aggressive scope of work moves forward, so it was an action item by default.

Mr. Kloepfel said Ms. Bettman was correct in the sense that it would be helpful for MPC to give direction to jurisdictional staff and LCOG staff on other than what was proposed in the staff memo. He said the process had moved to its present point with the participation of the planning directors from all three jurisdictions, as well as the chief executive officers. If something different is needed, he said, MPC's counsel and direction to staff would be helpful. A motion to stop the work would not provide the direction he was encouraging committee members to give staff.

Ms. Bettman noted that Mr. Dwyer's motion had no second, and Mr. Dwyer said a motion to table did not require a second and was not debatable.

Mr. Kloepfel said if MPC members would give staff direction to follow, staff would follow it.

Mr. Dwyer said he would like the Lane County Board of Commissioners to have a discussion on Metro Plan amendment question before any more staff action.

Ms. Ballew asked if staff could remind members how the proposal came out of the Joint Elected Officials meeting. Ms. Heinkel said at the JEO meeting there was expression by many of the elected officials that there was a desire to look at the urban services provisions in the Metro Plan. She said at that meeting the topic on the agenda was the adoption of periodic review, and staff offered then to develop a scope of work to address this non-periodic review question. She said there were no motions, but the minutes of the meeting reflected that Councilor Bettman suggested the question come to MPC. At the end of the meeting Mayor Torrey summarized the discussion and said the question would come to MPC and then back to the individual jurisdictions for decision. She repeated that she was not aware that the Board of County Commissioners had not discussed the item.

In providing background for what was proposed, Ms. Heinkel said the first step was an exploratory step in looking at the question of urban service provision. She said the Metro Plan provisions for urban services were 22 years old, and the first step would be to look at those provisions and look at the current fiscal and policy environment in which the jurisdictions were asking those policies to operate. She said the work program does not set out a product for staff to develop and then take through a public process; it was a work program that would involve MPC and the three MPC jurisdictions every step of the way. She said the intention was that it would be a collaborative effort among the three jurisdictions, and that policy makers would work closely with staff throughout the process.

Mr. Dwyer said his recollection from the JEO meeting was that staff were to bring back models of how the jurisdictions could structure all metropolitan delivery services, and this proposal had been skewed to address the problems of Springfield's desired fire district annexation. He said the timelines, guidelines, and language stress how important it is that Springfield can meet deadlines for the Boundary Commission. He said the JEO discussion became a work plan for how to get Springfield around the current Metro Plan using the MPC.

Ms. Heinkel said she did hear Mr. Dwyer ask for models at the JEO meeting, and she pointed out that Item 2d in the work program was to research studies on delivery of urban services, including various models available. She said staff had to scope the work first, with a budget and staff to develop the models. She said the scope of work was the first step, but the intention was to develop models to present. She conceded that the timeline, in relationship to Springfield's work, was an issue.

Mr. Kelly explained that the City of Springfield did go to the Boundary Commission in February to annex the City to the Willakenzie Fire District, and the consensus of the Boundary Commission was that the annexation was inconsistent with the Metro Plan. After that decision, administrative staff got together and discussed it. Springfield staff indicated they still had interest in pursuing a Metro Plan change if it could be done quickly. He said there was some belief among administrators from the three jurisdiction that a change in urban services provisions in the Metro Plan shouldn't be specific just to Springfield's issue with fire district annexation, since going through a Metro Plan amendment process would involve the three jurisdictions anyway, and it was better to generalize it to a model that all agencies could use. Mr. Kelly said Lane County staff indicated interest in general language about new models for a law enforcement, library, or other district. He said LCOG put together a scope of work with a time frame that would work for Springfield, but generic enough to work for all three agencies.

Ms. Bettman said with the City of Eugene's budget, updating the Metro Plan policies is not on the City Council's priority list. She said it seemed to her the City of Eugene had no interest in a generalized Metro Plan amendment. She said she did not know that Lane County was planning on spending money on an updated Metro Plan, either, given the County's budget constraints, so generalizing the process might not be as beneficial to the other jurisdictions as staff initially thought. She said the plan was extremely aggressive and specific, with the objective of jurisdictions being able to create a service district. She said it was such a fundamental change to the Metro Plan that this kind of aggressive schedule did not allow enough time for the community to weigh in adequately. She said she thought the scope of work should start out going to the three jurisdictions for approval, before MPC moves forward.

Discussion returned to Mr. Dwyer's motion to table. Mr. Dwyer said the purpose of his motion to table was to give the Lane County Board of Commissioners an opportunity to review the scope of work and have a discussion on it, and after the discussion it could come back to the MPC.

The motion to table failed, 3:2, Ms. Bettman and Mr. Dwyer voting yes.

Mr. Green asked Ms. Heinkel if staff thinking in bringing the scope of work to MPC for information, not action, was that the Lane County and Eugene elected officials would have already had a discussion on it. Ms. Heinkel answered that was the thinking.

Ms. Bettman asked Mr. Green if the item could be scheduled on the Board of Commissioners' agenda before the next meeting, and Mr. Green answered he was sure it was possible. She asked Mr. Carlson if it could be scheduled for the Eugene City Council agenda.

Mr. Carlson answered that in a sense the item had already been discussed as part of the City Council's discussion and direction at a recent work session regarding the Planning and Development work plan. The council had specifically made the Metro Plan amendment a low priority, and therefore Eugene staff would not spend significant time on it but would serve in a consulting role only. He said that since any of the three jurisdictions may initiate a plan text amendment, Springfield has the right to move forward with a Metro Plan amendment. But he and City Manager Dennis Taylor communicated to Mr. Kelly and Mr. Van Vactor that as a result of the Eugene City Council's prioritization of the Eugene Planning and Development work plan, City of Eugene resources and City of Eugene LCOG resources would not be focused on the Metro Plan amendment work plan. The City would be available in a collaborative role.

Ms. Bettman said she would request a Eugene City Council work session on the item. She said if a proposal to amend the Metro Plan came to the Eugene City Council, it would require resources. She said the regional significance of the change also raised questions about the aggressiveness of the schedule, and she would feel much more comfortable if it were a broader community process.

Responding to a question from Mr. Green, Mr. Carlson confirmed that each jurisdiction could initiate a Metro Plan change. Mr. Green said from a funding standpoint, the work plan seemed to be more Springfield's than Lane County's or Eugene's. If there were a geographical or funding impact to the County, the County Commissioners could weigh in and have some input and impact on the planning effort. From a partnership standpoint, he said, the County Commissioners should take a look at the plan and express any concerns.

Ms. Bettman asked if it was true there were no Lane County or Eugene resources committed to the work program. Ms. Heinkel answered that the work program as presented now would be funded by the Lane County and Springfield portions of the Metro Contract and by in-kind services by the Springfield Planning Department. She said the intention was that no new resources would be needed from any of the three jurisdictions.

Mr. Dwyer pointed out that Lane County had not yet agreed to commit resources.

Ms. Bettman asked how this process would be different than if Springfield had independently initiated the Metro Plan amendment. Ms. Heinkel answered that the work program was an opportunity for the question to be addressed by all three jurisdictions in a collaborative way. She said the information gathering and exploratory aspect would result in a better product if every jurisdiction participates. Ms. Bettman said the Eugene City Council has already said they do not want that opportunity, and now they are being asked to contribute regional funds to it.

Mr. Carlson again confirmed that Eugene was not contributing funds to the project, either directly or through its LCOG contract. He said up until now it was assumed Lane County was on board with the project, so the fact that they are not yet is new information.

Mr. Kloeppe said that at the end, all three jurisdictions will be involved in voting the Metro Plan amendment up or down, and an argument could be made that doing the study collectively, even though the cost is borne primarily by Springfield, enhances the end product. He said if Eugene and Lane County are not engaged in the process at the staff level as it moves forward, the product at the end would not be as informed.

Mr. Green asked Ms. Bettman what the Eugene City Council would like to do on the plan amendment. Ms. Bettman answered that the council did not feel a change to the Metro Plan at this time was a high priority, given all the other high priority issues the council had. Mr. Carlson added that Eugene staff, by virtue of attending Lane County and Springfield planning staff meetings, would have an opportunity to hear about development of the plan amendment proposal and react to it, but Eugene would not spend staff resources helping develop the amendment. He said Eugene staff would play a consulting role, as they do on many other issues.

Mr. Kloeppe summarized the discussion by saying he believed the individual three staffs had heard the direction of their elected officials. He noted Mr. Dwyer's and Mr. Green's intent to hold a work session of the Lane County Board of Commissioners. He said the item was not an action item to begin with, the tabling motion failed, and staff would move on. Ms. Bettman said her input was the timeline was very aggressive and did not allow the community to participate in a meaningful way.

Mr. Dwyer left the meeting.

4c. RUFFT Pilot Project (delayed from earlier in the meeting)

Mr. Schwetz referred members to a memo in their agenda packets dealing with the Road User Fee Task Force (RUFFT). He said the Oregon Legislature created the Road User Fee Task Force through H.B. 3946 in 2001. The task force's mission was to design a new revenue system to ultimately replace the fuel tax on gasoline. Mr. Schwetz said Mayor Torrey, former Senator Susan Castillo, and Commissioner Papé are on the RUFFT from this area. He introduced Jim Whitty from ODOT and Mark Ford from HDR Engineering to talk about a mileage fee pilot project.

Mr. Whitty began the presentation by saying Oregon is heavily reliant on the Federal and State gasoline fuel taxes, which comprise 68% of Oregon road revenue. He said ODOT economists predict that as gas prices rise, fuel-efficient vehicles, particularly hybrid electric cars, will comprise a growing share of the new vehicle market. He said hybrid options on up to 25 or more standard motor vehicles will be available by 2007, from small cars to SUVs, and road revenues will drop off with lower fuel consumption. ODOT economist anticipate a permanent revenue drop-off beginning around 2013.

Mr. Whitty said the RUFFT has recommended exploring a mileage fee as a replacement for the gas tax. The objective is to create a per-mile charge on vehicle miles traveled in-state that would be collected electronically and wirelessly and that would ultimately replace the fuel tax as the major road revenue source. He said the fuel tax would probably not be eliminated entirely, but it would be a back-up system.

Mr. Whitty said RUFFT began meeting over two years ago and initially adopted policy requirements for an alternative revenue source, which he reviewed for the committee. He said the proposed mileage fee would meet these requirements. He explained that miles driven would be calculated by an electronic odometer installed in the cars, data transmission would be by short-distance radio frequency, and payment made at service stations with fuel purchase.

Mr. Whitty said a pilot project on the mileage fee would begin in 2005, and a demonstration of the technology was scheduled for the next day, May 14, 2004, in Corvallis. He said Oregon State University has helped develop the wireless data collection technology which would be demonstrated.

Mr. Ford continued the presentation by explaining that HDR Engineering was hired in January 2004 to carry the OSU technology into an experimental project. He said the collection technology involves a combination of satellite GPS and an electronic odometer. He said ODOT needs a pilot test project to determine how this technology performs, how the users relate to the technology, and how responsive users are to prices, noting there will be higher mileage rates for congested areas and some discounts for other times and areas. Mr. Whitty added that a Federal Highway Administration grant requires ODOT to examine congestion pricing, so this is really two pilot projects in one.

Mr. Ford said the test project will use volunteer participants who will have their vehicles equipped with the mileage recording equipment. Participants will not pay the gas tax, but will be charged a mileage fee at participating service stations.

He explained that the pilot project will run from October 5, 2005 to November 2006. A final report on the project would be issued in January 2007. He said the pilot project needs to be in an established metropolitan area, but the area needs to be small enough that participants are familiar with the control area and fuel stations are close to participants. Last, he said, the project needs active cooperation of local planning agencies.

Mr. Ford said Eugene-Springfield is the best fit for the pilot project, with two promising areas being South Eugene and the River Road/Highway 99 area. He said participation requirements are that people are willing to have the devices installed on their cars, are going to be living in the area during the entire pilot project, will have all vehicles in the household participating, have an Oregon drivers license and insurance, and have sufficient credit to obtain a fleet credit card. He said the fleet credit card is only important for the pilot project, not in long-term implementation of a mileage fee. He said the pilot project needs a total of 280 vehicles, distributed in a variety of households. Project participants would receive some sort of incentive, such as a cash bonus at the end of the pilot or free services.

Mr. Ford explained public information and outreach steps to be taken in the summer of 2005 to solicit participants, and reporting steps at the end of the project. He said it was important for people in the test area to have a local connection to call for questions and problems, so ODOT would like to have a small project office at LCOG. He said the office would not be an LCOG function, but would be physically located there.

Ms. Bettman thanked Mr. Ford and Mr. Whitty for their presentation and asked members for questions or comments.

Ms. Ballew said if gas taxes were not sufficient to support road maintenance, the answer was to raise the gas tax. Mr. Papé said the objective was a combination of keeping revenue steady and effecting behavioral changes in managing congestion issues. Ms. Ballew said she appreciated the problem but felt this was a tortured way to accommodate it.

Mr. Carlson asked if the system could accommodate different jurisdictional boundaries with different gas tax rates, and Mr. Whitty said it could.

Mr. Green asked for clarification on Mr. Whitty's statement that the gas tax would not be entirely replaced. Mr. Whitty answered that no one would be charged both a fuel tax and a mileage fee, but that the fuel tax would still be available as a back-up system in case people tried to tamper with the devices. He said every car at some point would be required to have the mileage recording device, at which point they would pay the mileage fee, rather than the fuel tax. Mr. Green asked who would pay for the mileage recording device. Mr. Whitty said a retrofit of all cars would be too expensive, so the devices would be built into new cars over time, and the buyer of the car would pay. He said the State would run two systems at once, the gas tax, and the mileage fee, during the transition period.

Finally, Mr. Green encouraged more public education in the River Road/Highway 99 area, one of the proposed study areas, and he said the project needed better incentives for participants. He said he would support a control group, with mileage recorded but no fee, but felt the rest of the outlined project had problems.

Referring to Ms. Ballew's suggestion of raising the gas tax, Mr. Boyatt asked if ODOT had done any analysis of how much the gas tax would have to be raised to maintain current revenue. Mr. Whitty answered it would have to be a continual raise, as vehicles increased their fuel efficiency.

Mr. Thiel, noting that Oregon is not alone in dealing with revenue shortfalls, wondered if similar approaches were explored around the country. Mr. Wyatt said there was a fifteen-state consortium working with the University of Iowa to do some analysis, and that the task force had used some of their background information, but Oregon was the only state going forward with a pilot. He noted that Oregon was also the first state in the nation to pass a gas tax.

Mr. Hamm observed that currently the gas tax does not allow any expenditure for public transit or other alternative modes, and he wondered if the task force could look at how alternative transit could be treated in expense and credit of the funds. Mr. Papé responded that as the Oregon constitution is currently written, a mileage fee would definitely be a road use tax subject to the same restrictions as the highway fund. Mr. Hamm said he was aware of that, and was suggesting that the policy group might look at a change in the constitution.

Mr. Carlson noted that vehicles from other states not having a mileage fee would not be able to participate, and Mr. Whitty said that was one of the reasons for maintaining the gas tax, to capture revenue from road use of people from other states or countries.

Mr. Papé, referring to whether other states are exploring the mileage fee, said the Federal government is very interested in alternatives to the gas tax, which is why they were providing a grant to ODOT for this project, and he understood they were also encouraging other states to get involved, as well.

Mr. Green asked how the decision will be made that Eugene-Springfield is or is not the pilot area. Mr. Whitty said Eugene-Springfield was interesting because it is large enough to have congestion and small enough to have service stations clustered in the right places. He said the real measure will be whether enough people volunteer here to participate. He said no action will be necessary by local government bodies.

Mr. Kloeppe said most of the people in the room were acutely aware of the need for money for transportation improvements, but on a broader scale, the project depreciated society's value of the technology improvements represented in hybrid vehicles, in that people buy hybrids in order to save

money on fuel costs. He said as a society we should be pleased that vehicle technology is resulting in fuel cost savings, and the mileage fee methodology would tend to push back against that to some extent.

Mr. Whitty said that point was important to address. He said the pilot would have a flat fee for simplicity, and the Road User Fee Task Force has not looked at whether there should be a flat fee or a graduated fee. He said the decision on fee rates was really a policy decision for the Oregon Legislature.

Ms. Bettman said that what was really the crux of the issue about hybrid vehicles was that even though they were better for the environment and more cost-effective, roads were still needed. She said 30 to 40 percent of the land area in any municipality is asphalt and parking, and the real answer is mass transit use.

Ms. Bettman adjourned the meeting at 1:20 p.m.

(Recorded by Marjorie Beck)

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