



Oregon

Kate Brown, Governor

Oregon Transportation Commission

Office of the Director, MS 11

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Salem, OR 97301-3871

January 17, 2020

To: Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Jessica Vega Pederson
Metro President Lynn Peterson
Portland Public School Board Vice Chair Julia Brim-Edwards
Portland Public School Board Member Scott Bailey

Rose Quarter Improvement Project

Dear Mayor Wheeler, Commissioner Eudaly, Commissioner Vega Pederson, President Peterson, Vice Chair Brim-Edwards, and Board Member Bailey:

I am writing to thank you for your ongoing partnership on the I-5 Rose Quarter Improvement Project (“Rose Quarter Project” or “Project”). As you know, in 2017 the Oregon Legislature identified the Project as one of a handful of transportation investments it specifically directed be built by the Oregon Department of Transportation (“ODOT” or “Department”). In addition, the Legislature made some \$450 million to \$500 million available to construct it.

The Project has statewide significance because it will improve traffic safety and improve the flow of goods, services, and the traveling public by reducing traffic congestion on the Rose Quarter segment of I-5, recently identified as the worst freight bottleneck on the entire I-5 corridor. For some time, Metro’s and the City of Portland’s transportation system plans have called for these kinds of improvements on the Rose Quarter segment, recognizing the positive contributions such investments will make to our region’s and state’s economy and environment.

The Project, of course, is also in the heart of our largest community and must attempt to reflect our shared community values. As leaders, we must work cooperatively to ensure the best outcomes for both the Portland community and all of Oregon.

With those considerations in mind, set out below are actions related to the Rose Quarter Project that I will ask the Oregon Transportation Commission (“OTC” or “Commission”) to consider at our upcoming meeting in the Portland region on January 23rd. I believe these actions demonstrate our intention to be a constructive partner on the Project.

To begin with, the OTC will direct ODOT to provide regular updates to the Commission and community on our progress on the Project. Further, I will ask the Commission to support the actions listed below:

1. Approving the Submission of a Rose Quarter Cost to Complete Report to the Legislature. Pursuant to the requirements of House Bill 2017, the OTC will consider the submission to the Legislature this month of an updated “Rose Quarter Project Cost to Complete Report” (“Report”). The Report will update an initial Project cost estimate of approximately \$450 million to

\$500 million issued in 2017. The Commission received the Report late last week and had not seen it prior to that time. The Report estimates that the current cost to build the Rose Quarter Project is between \$715 million and \$795 million.

2. Directing ODOT to complete an Environmental Assessment for the Rose Quarter Project or direct ODOT to Conduct an Environmental Impact Statement. On or before March 20, 2020, the OTC will consider whether to direct ODOT to complete the Project's Environmental Assessment, which has been underway for more than a year, with additional analysis on specific elements outlined in this letter or, instead, complete an Environmental Impact Statement. No decision on this issue will be made at the January 2020 meeting.

3. Directing ODOT to establish a Rose Quarter Executive Advisory Committee. In the spirit of cooperative decision-making, the OTC will consider whether to direct ODOT, in consultation with the Chair of the OTC, to establish a Rose Quarter Project Executive Advisory Committee ("EAC") on or before February 15, 2020 with the goal of convening the first meeting of the EAC on or before March 1, 2020. If established, the EAC will be chaired by OTC Vice Chair Alando Simpson, its meetings will be open to the public, and its recommendations to the OTC and ODOT will be advisory in nature.

4. Directing ODOT to establish a Project Community Advisory Committee. The OTC will consider whether to direct ODOT, in consultation with the Chair of the OTC, to establish a Rose Quarter Project Community Advisory Committee ("CAC") on or before February 15, 2020 with the goal of convening the first meeting of the CAC on or before March 1, 2020. If established, the CAC will be chaired by an ODOT senior administrator, its meetings will be open to the public, and its recommendations to the OTC and ODOT will be advisory in nature.

5. Directing ODOT to recommend Rose Quarter Project "Principles and Values." The OTC will consider whether to direct ODOT, in consultation with project partners and liaisons from the EAC and CAC, to develop "Principles and Values for the Rose Quarter Project" recommendations that support transparency, inclusivity, and equity in the development and construction of the Rose Quarter Project. ODOT will submit these recommendations to the OTC for review and approval.

6. Directing ODOT to conduct a Rose Quarter Project I-5 Highway Cover Evaluation and Alternatives Report ("Cap Report"). The OTC will consider whether to direct ODOT, in consultation with the Albina Vision Trust, to retain a qualified consultant to conduct a "Rose Quarter Project I-5 Highway Cover Evaluation and Alternatives Report" ("Cap Report") and deliver an initial draft of the Cap Report to ODOT on or before July 1, 2020. In turn, on or before October 1, 2020 (unless this deadline is extended by the OTC), ODOT will make recommendations to the OTC about how ODOT can, within the scope of its authority, support the development of a transportation system over I-5 in the Rose Quarter Project area which promotes the redevelopment of the Albina neighborhood in a manner that creates economic opportunities for area residents and resident minority-owned businesses.

7. Directing ODOT to continue to coordinate with Regional Partners. The OTC will consider whether to direct ODOT to work with regional partners, including but not limited to the City of Portland, Multnomah County, Metro, Portland Public Schools (PPS), the Albina Vision Trust, and local minority-owned business representatives, to ensure a community-connected process is used as ODOT and the OTC determine the final design of and construction schedule for the Project.

8. Directing ODOT to establish Rose Quarter Project Equity Principles. The OTC will determine whether to direct ODOT, in consultation with project partners and liaisons from the EAC and CAC, to incorporate equity practices, including CMGC design and contracting practices, in the Project's design and construction to maximize opportunities for local minority-owned contractors and small businesses in the Project area to work on the Project.

9. Directing ODOT to consider a Rose Quarter Project Environmental Peer Review. The OTC will determine whether to direct ODOT to consider undertaking an air quality and noise quality peer review process of the Rose Quarter Project environmental report findings and make recommendations to the OTC and ODOT related to any additional mitigation measure which ODOT and the OTC should consider.

10. Congestion Pricing on I-5. The OTC will determine whether to direct ODOT to undertake further steps to establish congestion pricing on I-5 in the Rose Quarter area. Imposition of congestion pricing in the Rose Quarter I-5 area should occur in as close a proximity to completion of the Rose Quarter Project as is reasonably feasible.

11. Directing ODOT to continue to work with PPS to attempt to address PPS's concerns about the Rose Quarter Project. The OTC will consider whether to direct ODOT to continue to work with the Portland Public Schools to attempt to address PPS's concerns about the Rose Quarter Project. If this proposed action is approved by the OTC, the Director will convene the next meeting with PPS representatives with the goal of holding the next meeting on or before February 16, 2020.

Thank you, again, for the time each of you has dedicated to the Rose Quarter planning process. The OTC and ODOT look forward to continuing to work with you on the Project and on other regional transportation matters, and hope the information provided above is helpful to you. Please do not hesitate to contact me or Director Strickler if you have any questions.

Very truly yours,



Robert D. Van Brocklin
Chairman, Oregon Transportation Commission

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Cc: Governor Kate Brown
Senate President Peter Courtney
House Speaker Tina Kotek
Senator Lee Beyer
Senator Brian Boquist
Senator Betsy Johnson
Representative Caddy McKeown
Representative Ron Noble
OTC Vice Chair Alando Simpson
OTC Commissioner Julie Brown
OTC Commissioner Martin Callery
OTC Commissioner Sharon Smith
ODOT Director Kris Strickler
ODOT Rose Quarter Project Director Megan Channel