



Building Future Transportation Leadership Seminar Proceedings:

Success Factors from Portland
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Foreword

Portland is nationally recognized for its remarkable transportation system. During the past 25 years, the region's leaders have demonstrated an ability to catalyze community participation and secure funding for highly successful transit projects. The path to achieving this renowned transit system, however, was marked by challenges, setbacks, invention and endurance.

By 2006, transit leaders from TriMet, Metro, and the private sector had been intricately involved in transportation planning, financing, and project delivery for nearly three decades. Realizing the importance of sharing their collective insights, these leaders organized a one-day seminar to reveal the behind-the-scenes history of Portland's transportation system to a new generation of leadership.

As they examined the strategies that were critical to attaining the current transit system, three success factors emerged: the land use transportation connection, alliances that work, and excellence in execution. These success factors became the basis for the seminar.

Presentations and panel discussions focused on the ideology that inspired decisions, the range of relationships that serve as the backbone of the region's transportation system, and the policies and practices that emerged over time to promote successful project delivery.

On January 24, 2008, staff from a variety of Oregon public agencies, employees from private firms involved in transportation planning and design, Portland State University students, and officials from Washington state gathered for the full-day seminar. By passing along the lessons learned and opening a dialogue with the seminar participants, the transit leaders hoped both inform and inspire the next generation of transit leadership.

Building Future Transportation Leadership: Success Factors from Portland

Welcome, Robert Bertini, Director of OTREC (Oregon Transportation Research and Education Consortium) and David Bragdon, Metro Council President

Robert Bertini: Good morning and welcome. My name is Robert Bertini and I'm a faculty member at Portland State University and the director of the Oregon Transportation Research and Education Consortium, or OTREC. On behalf of all of the sponsors of this event, including OTREC, Metro, TriMet, David Evans and Associates, and Zimmer Gunsul Frasca, I want to welcome you to Building Future Transportation Leadership: Success Factors from Portland.

OTREC is a federally funded national university transportation center, and we have a mission related to research, education and technology transfer. In support of the success of the future national transportation system and as part of our education and outreach efforts, we've been very happy to partner with the co-sponsors on this event. In passing the torch to the new generation of transportation professionals (some of them graduates of Portland State University, many other transportation graduate programs, and many of you here in the audience today) I hope that you will be able to absorb some of the excitement and passion that I have felt from the organizers of this event who have been involved in making Portland's transportation and land use system what it is today. We're very pleased to provide this opportunity for you all to interact during these roundtables, and at the program breaks, lunch and reception. I hope that this event will inspire you to make your own contribution to our region's and our state's transportation and land use system.

To begin this inspiration of process, we're very happy that the gentleman in charge of our regional planning organization, Metro, is committed to maintaining a strong connection between transportation and land use. So I'm going to turn it over to Metro Council President, David Bragdon.

David Bragdon: Thanks, and welcome everybody. One of the great urban planners in American history was Brigham Young, who planned Salt Lake City. People don't often think about Brigham Young as an urban planner, but that was, in fact, part of what he did. One of the sayings they have in Utah is that good urban planning involves having one foot in memory and one foot forward in prophecy, and that planning combines those two things. Well, today you're going to hear a lot of memories from this side of the podium. Your challenge and responsibility is to come up with prophecies. So, as we're hearing the history from many of the participants who shaped what we have today, I hope we'll also be thinking about how we all write the next chapters of this story. It's a story that's never finished. It's always ongoing, and today is intended to inspire that.

Planners in this region have a great history to live up to, as a high standard has been set over the last 30 or 40 years. In fact, it's not just a history to live up to, but a history to surpass and take to the next levels based on that track record of the past 30 years. I try to appreciate the history I hear from the people that I work with every day. I try to appreciate that history as a source of inspiration and see the good lessons in it. It's not a cause for smugness, or resting on our laurels or a reason to say, "Well, we just do things a

certain way here because we always have.” The fact is, we haven’t always done things in a certain way, and it would be misreading the Portland story to say there’s some fixed formula that we have to use. Really, the Portland story is a tradition that’s rich in experimentation and in trying new things – new things that hadn’t been tried before here or in other parts of the country.

If you were looking forward 40 years ago, you would not have predicted that Portland would evolve in the way it has. I moved here in 1971. In looking at the biographies of the people who are going to be talking today, I’m just slightly younger than some of them. I started attending TriMet board meetings when I was 13. I remember being an intern at TriMet when I was 15 and the Portland City Council made the Mt. Hood Freeway decision. I think you’ll hear about the financial importance of that. Not just the importance of what it meant for Southeast Portland or what Southeast Portland has now become, but also what it meant for the financial consequences of funding our roads and street network, as well as the light rail network. I remember very well the controversy that was in the air about that decision. There was the sense that political leaders, planners and thinkers were going out on a limb to make that decision, which really countermanded the conventional wisdom of the time. My message here is that questioning conventional wisdom is an important part of our work.

At that time, you would not have predicted that Portland today would be the darling of the rest of the country in planning and transportation circles. When we moved here in 1971, it wasn’t just that there were no such things as bagels in Portland and that pizza was an unusual and exotic sort of thing to find. Those are just some indicators. But downtown really was dying. There were air quality violations in the summertime: one day out of three, a dark yellow cloud would hang over the city of Portland. There was an investment flight from inner city neighborhoods with people fleeing the city of Portland. The schools operated literally month-to-month without an ongoing levy. My second year here, when I was in eighth grade, the schools actually closed the first week of May because there was no safety net and no operating levy. The transit system literally went bankrupt in 1969. It was a privately owned system by a consortium based in San Francisco. Not only was it not publicly owned, it wasn’t even locally owned. Culturally, Portland was relatively dull. Portland State University had just been elevated from Portland State College status about five or six years before that.

My point is that Portland and the region were a very different place. There was no such thing as Intel. There was no such thing as Nike. The odds would not have been good that in two or three decades, Portland would be a place that people would want to study and emulate. It would not have been predicted.

So what happened? Why did we get to where we are today? The main point is that it was not an accident. It was the result of a series of very deliberate and, in some senses, daring decisions made over the course of time. Both the decisions themselves and the way the decisions were arrived at gave us what we have today.

You're going to hear the details of different transactions, deals and decisions from the speakers we have, but I'm going to tell you everything you need to know in just five minutes. This is really all you need to know: that it was intentional and innovative, and these intentions were large and laden with principles. There were underlying principles that weren't incidental but instrumental. I use the word "instrumental" in a literal sense, in that there's recognition that transportation is an instrument to something else. It's not just a means to get from A to B. It's an instrument, and it's instrumental to the type of community that we want to have.

Here are the four major principles I learned from my predecessors and some of the people I work with that underlie the details of these decisions. If you pick any accomplishment that's happened in this community - whether it's the success in recruiting Intel to this region, the decisions with regard to light rail investments, innovations like community policing or the fact that the schools were provided with a safety net - I bet you can trace it back to one of these four overarching principles that really guided things from the beginning in the late '60s and early '70s.

The first was that it's all about the neighborhoods. Things begin and end in the neighborhoods, and a region can only be great if it is composed of great neighborhoods. These are safe and stable places where a variety of people are willing to take a stake in terms of where they live, shop, send their kids to school, and the other things that go with community. As an important corollary, downtown must be one of those neighborhoods but it has a different function. It literally serves the entire region and plays a central role, and we can never give up on that. So that was number one: that it's really all about neighborhoods, whether the neighborhood is in Forest Grove or in Gresham or Laurelhurst. It's a fundamental building block. I think we started with that back in the 1960s and the 1970s with the creation of neighborhood associations in Portland. We built on that ethic and it's part of what makes the region what it is today: it's all about the neighborhoods.

The second is a corollary to that, but I've broken it out as a separate item because it has an economic and demographic dimension. The second principle was first articulated here at Portland State University in the pages of the Vanguard by Dave Yaden, who I believe was a graduate student at that time. He subsequently worked in the state government and with TriMet. What he articulated back in the early '70s became known in technical terms as the population strategy, which is the idea that this needs to be a good place for middle-class, home-owning people with kids. If you lose middle-class, home-owning people with kids, you can kiss the rest of the city goodbye, because they are important. You have to create a place where those people want to be.

The third principle - and this was derived from the first two - is that a city designed and built strictly for the speed and thoroughfare of the automobile is not going to be the type of city we want to have, as listed in those first two principles. Going the route of other cities would not produce the type of place we want.

The fourth overarching principle that has been key to success is one you're going to hear a lot about today. It's that planning can only be as good as the investment that it's linked to, and that an inherent link between public and private investment is necessary to back up the plans. If you think about the major public investments – the Hillsboro water system that eventually helped bring the high-tech crescent here, Pioneer Courthouse Square, the Performing Arts Center or Waterfront Park – these key public investments led to private investment, which made the plan come to life. That's something we really need to be thinking about even more today, given the financial challenges and the Oregon tax system.

So keep those four principles in mind during the rest of the day, and you'll know everything you need to know. But you'll also hear some important facts and formulas. As you listen to these, remember that your predecessors and the people who made these deals didn't just accept the facts as they were. They didn't accept the conventional wisdom of their time. They didn't just inherit formulas and live with them. In fact, as I think you'll hear from Richard Brandman of our staff, we actually tend to go to Washington, D.C. to write the formulas to suit us and be a model for the rest of the country. We don't just accept formulas. As you hear about formulas, don't just accept them. Think about how to make them better.

Our predecessors – and this is something good to compare ourselves to – really worked with a sense of urgency and experimentation. So that's a challenge for us today. Are we working with the same sense of urgency and experimentation that our predecessors had? They had a spirit somewhat like President Franklin Roosevelt took with urgency during the Depression, saying in his inaugural address in 1933, "Well, you know what? We're in a lot of trouble. We're going to try A, B and C and if those things don't work, then we're going to try D, E and F. But we're going to do something."

You also need to do things and try things that haven't been tried. Learn about the past. Learn about challenging the orthodoxy, because the powers-that-be today were the insurgents of yesterday. Today's insiders and the people making a lot of decisions were out on the streets and in the neighborhood associations many years ago.

Earl Blumenauer, who went door to door in outer Southeast Portland to get 18-year-olds to vote in the late 1960s, understood these issues almost instinctively. By nature, he is an insurgent and creative person. He is now a U.S. Congressperson – that's the trajectory of these things.

Rex Burkhalter, who helped start the Bicycle Transportation Alliance, is now a Metro councilor. The list goes on. The late Elsa Coleman, rest in peace, who helped to divert the so-called Mt. Hood Freeway, went on to be in city government. My point is that the outsiders are now insiders. We need to take full advantage of that and recognize the responsibility that comes with those roles.

Now you have your feet planted in memory, and we're going to have our feet planted in memory the rest of the day. Remember, as Brigham Young would say, to put that other foot forward in prophecy.

What better person to help us do that than somebody who will prove that there is life after being on the Metro Council. He also shows that you can be effective in the public and private sectors. You can contribute to the city in a variety of ways, whether it's private practice in law or with a design engineering firm, as well as have experience leading the Portland Planning Bureau. So please welcome somebody who's got public and private and all types of civic experience, David Knowles.

Conference Moderator/Session Introductions, David Knowles, Vice President for Planning and Development Services at David Evans and Associates

Biography: David is the vice president for planning and development services at David Evans and Associates (DEA), where his work focuses on transit planning, community planning and urban redevelopment. Prior to joining DEA, David was a development manager with Shiels Oblatz Johnsen. From 1993 to 1999, David was the director of planning for the City of Portland where he had responsibility for Portland's long range planning program and the city land use review system. He also served on the Metro Council from 1986 to 1991. David is an attorney and practiced law from 1984 to 1993.

David Knowles: Good morning. It's terrific to see so many folks I know, as well as a lot of new faces. I'm encouraged by this audience because we were really interested in seeing younger folks attend and I think we've accomplished that.

David Evans and Associates is very pleased to co-sponsor this session with Zimmer Gunsul Frasca, TriMet, Metro and PSU. This is the second session we have co-sponsored with PSU. We see these sessions as a way to help teach transit to a new generation of transit leaders. It's very important for our commitment to the community, as well as helping to build expertise within our own company.

As David Bragdon mentioned, we have – by almost every measure – been very successful in developing light rail and managing land use in Portland. Visitors from other places are literally astounded by what we've accomplished and how we've done it: how we built the alliances and how we made those decisions. Nothing sells like success, but the question is, why has our region been successful? What is it that we've done differently from other parts of the country to be successful? What can we do to ensure that this success continues into the future?

Today is an opportunity. I hope this is what we'll be able to accomplish: to pull back the curtain a little bit and look at the relationships that have helped make us successful in building light rail over the last 25 or 30 years. I think you're going to get a pretty good picture of how entrepreneurial agency staff, their elected bosses and folks in the private business community have joined together to help advance the transit agenda. You're going to hear some good stories. You're going to hear some mundane but really

important details about how to work through the federal system, as well as through local financial politics. I think you're going to hear a lot about important personal relationships that have been created and nurtured over the last 25 or 30 years.

As we go through the day talking about the past, I hope you also will think about the future. I hope you will be prepared to challenge the kinds of things you hear today about what worked in the past. The four principles that David outlined are great. They may be the ones we carry forward, but we need folks today to think about the principles that are going to work for the next 35 years, because 30 years ago we didn't imagine Nike, or the technology boom or any of these things. We can't sit here today and know exactly what we're going to do 30 years from now, but it's up to many folks in this room to begin to think about how to do that.

We need to do it because the edge continues to move and we need to change. I think there's a real opportunity, but the problem is that the folks who have been leading the transit program over the last 20 years are getting older. As Vera Katz said, "The transit mafia is in place." They are very important people, but they are beginning to think about moving on to other things. So we need to begin to develop the leadership that can carry forward that agenda.

Let me give you a little context for how we're going to conduct the day. Many of the speakers you'll hear from today helped us put together this agenda. As we talked about the reasons that Portland had been successful, we saw that there were a number of things we called success factors – reasons why we had been successful over the last 20 or 30 years in developing light rail. We broke these into three basic categories. The first is the land use/transportation connection. In this state, we have a land use framework that promotes the use of transit, and transit promotes the use of the land use framework that we created beginning in 1973.

The second success factor is what we call "alliances that work." This is the set of relationships that many of the participants in the federal funding process have, which includes local businesses, elected officials, citizens and agency staff. These relationships have been very important to the success of the system. Finally, there's project execution. It's great if you can get to the point of having a project and getting ready to build it, but if you don't do it right – if it doesn't get built on time and on budget – that failure will stick with you forever. One of the reasons that we've been so successful is because these projects have come in on time and on budget and without the kind of negative publicity that you can get if the situation turns out otherwise.

That's how we have organized the day, and I think it's going to be a lot of fun. I think you're going to enjoy it. Before we get to the substance of the program, we're going to do a little history test. Anybody over the age of 50 is not eligible to participate. Here's the first question: What year was Oregon's landmark land use legislation, Senate Bill 100, adopted?

Voice in audience: 1973.

David Knowles: Very good. Who was the former city commissioner who was in the state legislature at the time that the bill was passed?

Voice in audience: Earl Blumenauer.

David Knowles: Very good. Who was the first elected Metro executive? Anybody know? He's speaking later today.

Voice in audience: Rick Gustafson.

David Knowles: That's correct.

1986 was an election year. It was also the year that the first MAX line opened. Who were the candidates for governor and what did one of them have to say about the new MAX system before it opened? Who were the candidates for governor in 1986?

Voice in audience: Neil Goldschmidt and Norma Paulus.

David Knowles: Very good. What did Norma have to say about the light rail system? What did she call it? *(No response from audience.)*

“Whoops on Wheels” is what Norma called it. Whoops was the effort to develop a series of nuclear power plants by the Washington public utility system. It crashed about the same time that MAX opened.

Okay. This is a real piece of trivia and it's supposed to be a question that helps our friends from Washington state. What is the name of the only governor elected after serving as chair of the Atomic Energy Commission? *(No response from audience.)*

Dixie Lee Ray. She was elected in 1976.

For this last one, folks over 50 can participate. In fact, they'll have to participate because I'm pretty sure nobody is going to know the answer to this. In the summer of 1970, Richard Nixon was scheduled to speak at the American Legion convention in Portland. To avoid a confrontation between anti-Vietnam protesters and the American Legion, Governor Tom McCall hosted a rock concert. Where did it take place?

Voice in audience: McIver Park.

David Knowles: Very good. That's the end of the test.

Throughout the day, there are going to be a lot of opportunities for folks to be participating and engaging in discussion with us. There will be Q and A at the end of the presentations.

Our first presenter is Andy Cotugno and our first success factor has to do with the land use/transportation connection. Andy is the director of the planning department at Metro. He's got about 85 folks working for him. Andy has been working with Metro since 1980. He is, in the minds of many of us, the person who has been the glue – particularly at the staff level – among all the jurisdictions. He has been the key strategist in thinking about how we move forward the full transportation agenda, not just about highways, but also about transit. He's a planner who got his degree from California Poly Tech. He worked in Columbus for a while where he helped to plan the freeway system that was eventually built using the money that was reallocated from the Mt. Hood Freeway. So he had the opportunity both to plan a freeway that benefited from our getting rid of the Mt. Hood Freeway, as well as spend the money that was freed up as a result of that.

Andy, welcome.

SUCCESS FACTOR ONE: The Land Use/Transportation Connection

The Region's Land Use Planning Framework, Andy Cotugno, Metro Planning Director

Biography: Andy was appointed Metro's Transportation Director in 1980 and became the Director of the Planning Department in 2000. As Director, Andy is responsible for the more than 85 professional staff who are charged with travel forecasting, light rail planning, transportation planning and financing, transit-oriented development, the urban growth boundary and urban growth management. He is chair of Metro's Transportation Policy Alternatives Committee and the Metropolitan Technical Advisory Committee, and he is active in regional, state and federal financing activities for transportation and growth management projects. He received a bachelor's degree in city and regional planning from California Polytechnic State University in 1974, and has done graduate work in public administration at Lewis and Clark College in Portland.

Andy Cotugno: Thanks, David. I'm glad Columbus ended up with the Mt. Hood Freeway and we ended up with all the other alternatives that we were able to build as a result of canceling the Mt. Hood Freeway.

(This presentation was accompanied by a PowerPoint display.)

I'm going to go through some of the history and the context for how this developed. Light rail – I think is important to recognize – is not the end. It's a means to a broader end. I'm going to try to give you the picture of what that broader end is and how we made decisions along the way. We'll look at what sort of issues led to making those decisions, how the pieces fit together, some of the results we're seeing and how it worked.

Air quality is an important part of the story because of the connection between how the transportation system works and emissions.

Portland is on the confluence of the Willamette and the Columbia rivers, but the context of what this shows (*referring to PowerPoint*) is actually very important. We're a port and a major export city, and the Columbia River shows that connection. I-5 goes right through the middle of the valley and is a very strong force that shapes our land use patterns but, just as importantly, to the east of Portland is the mountains. Those are federal lands. It's not a place we can grow into. To the west is the Coast Range, and those are state lands, so we're not growing to the west either. The threat of sprawl down the valley is one of the strongest drivers around everything we do. It was certainly the strongest driver behind the land use system that we operate within. Between the valley, the two mountains and the effects of I-5, we were very clearly threatening that valley. That's something that is never going to go away. Those major features will always be there, so it's important to pay attention to what force that growth pattern produces. It has shaped our decisions and was the basis for starting some of our decisions. You know

some of the key features of the metropolitan area, so I won't dwell on them. We have 1.8 million people, large cities, small cities and a fairly diverse economy that's shifting from a natural resource base to a much higher order of components.

I'm obviously from Metro. Metro is really quite different than other agencies across the country. We're the only level of government at the regional scale with a directly elected council that has the authority to carry things out. In every other place in the country, there's a metropolitan planning organization to coordinate transportation planning, but it's an affiliation of organizations. It's not a unit of government in and of itself. So that's an important difference here.

I actually started in 1979, the year Metro came into existence in its first elected form. We now have six councilors elected by district, and one council president elected district-wide that oversees our operations. But we're also a region of municipalities – lots of municipalities. We have lots of different special districts: water districts, sewer districts, transit districts and port districts; so there's a complicated set of actors that make individual decisions about their part of the region. Small, unsophisticated jurisdictions and large, very sophisticated jurisdictions all have to be part of the mix, so dealing with both things is important. We've accomplished that through a structure that recognizes the importance of all of those different actors. While the Metro Council is an elected body and oversees a unit of government, it doesn't do it in a vacuum. It does it in close partnership with two other bodies comprised of all of those other actors in the region. JPACT (Joint Policy Advisory Committee on Transportation) has been around since the beginning of Metro because federal requirements mandated that local elected officials be involved in transportation planning. In addition, the decisions made on transportation planning are sort of a bilateral division. Both bodies, JPACT and the Metro Council, have to approve those decisions.

MPAC (Metro Policy Advisory Committee) is a land use oriented committee that has only been in existence for half of Metro's life. It came into play in the early '90s. Because of the value that JPACT provided as a transportation forum, we recognized that if we were going to play a bigger role in shaping land use planning for the region, we needed a partnership with local governments for that purpose as well. So MPAC was actually a creature of our own charter and is a recommending body to the Metro Council rather than an equal decision-making body. JPACT is just a creature of the federal government.

The setting back in the '70s that both David Bragdon and David Knowles talked about was really quite grim. We went through a couple of serious gas crises that were real shocks to the system. We had quite a bit of air pollution. Most people don't recognize that today, but it was a serious problem at the time. Downtown was in major decline. Buildings were being torn down to build parking lots, and there was clearly an exodus at five o'clock. It was definitely going downhill. There was no transit mall at the time, so when the buses did operate, they were stuck in traffic.

A two-story parking lot stood right across the street from Meier & Frank and the Pioneer Courthouse. It was proposed that it be torn down to build a ten-story parking lot because Meier & Frank had to have the parking to compete with the suburbs. We were smart enough not to do that. Instead of building that parking lot, we created the living room of central Portland – Pioneer Courthouse Square – because it was feasible to serve downtown with improved transit rather than a ten-story parking garage.

There are a lot of other items in the downtown plan that are part of the overall success story. You could spend the whole day just talking about the downtown plan and the importance of the mix of housing, retail and office, and all of the mechanisms used to implement those things. Suffice it to say, one big piece of this whole package is the actions that affect downtown. Light rail is very much interconnected with downtown and its success.

Another major component of the story is the decision to move away from a highway-oriented system to a multimodal-oriented system. The road system for the region is obviously still very important, but it's considered in the context of pursuing a multimodal transportation system rather than a strictly highway-based transportation system.

That really started with the decision to remove Harbor Drive from downtown Portland's waterfront and replace it with Tom McCall Waterfront Park. We could surplus Harbor Drive because it really wasn't needed after I-5 was built on the other side of the river. If it's not needed any more, take it out and put it to a more productive use – that was part of the decision to reexamine the freeway-based plan.

While the Mt. Hood Freeway decision was in the air, the real decision being made was to cancel the overall freeway system plan, not just cancel a single freeway. The Mt. Hood Freeway is the one that would have traveled through Southeast Portland. The part that was canceled, which was going to be constructed with interstate funds, was only planned to go to I-205. Someday, a continuation of that freeway would go through Gresham to connect to Mt. Hood. But on the map were freeways along the Columbia corridor in North Portland; a freeway along Fremont in North Portland; a freeway along Johnson Creek in Southeast Portland; a freeway connecting along 39th Avenue; a freeway through what is now Kruse Way on both sides of the river in south/north Clackamas county; two western beltways; and another freeway across Hayden Island to the west of I-5. Their whole system was built around a grid and circle routes of freeways throughout the region.

The money was only there to build a couple of parts of that freeway system with the Interstate Act, but the plans were to build that entire freeway system.

Decision making on transportation in the mid-'70s was paralyzed. It's easy to stop projects: you can create enough controversy to stop projects. It's much harder to build them. At that time, everything was stopped in its tracks. The Mt. Hood Freeway was obviously the point on that, but I-205 stood incomplete from Foster Road to the north side of the Washington state line across the Columbia River as well. There were other projects that were simply dead in their tracks. The Governor's Task Force formed to sort

out where we were heading. While they decided to cancel the freeway plan and move to a multimodal system, the decision was also made to complete I-205 as part of that direction. It represented a decision to build some parts of the system, but they wanted to shift the fundamental direction away from being a full freeway-only based system.

Downtown was part of the story. The freeway backlash and moving to a multimodal system was part of the story. The third part of the story is the Oregon land use system. That was really about the threat of sprawl down the valley: sprawl chewing up farmland, and the coast being chewed up with visitor vacation homes.

The land use system was really created with a much stronger emphasis towards containing that sprawl. It established a set of all local plans based upon urban growth boundaries to contain those plans. Land use requirements emphasized accommodating growth and shaping growth inside those urban growth boundaries by preserving farm and forestland outside the urban growth boundaries. The whole framework of building a statewide land use system was the third major part of the direction, which affected how we did all these plans.

As we moved past the paralysis of the freeway debate, we started moving into light rail decision making. The Eastside Banfield line was taken up as the first quarter because the Mt. Hood Freeway was going to go east. If we were not going to do the Mt. Hood Freeway, then we needed to do something else in its place. Reconstructing the freeway and building the light rail was the solution to replace the Mt. Hood Freeway.

(Referring to PowerPoint) That's First Avenue when the light rail was being built on First Avenue downtown. As you can see, it was very much an abandoned place. As early as 1981 when this was under construction, we viewed the light rail as a land use tool. We created a vibrant First Avenue rather than the bombed-out First Avenue that was there. We viewed this as a tool to pursue larger land use objectives.

As we move the clock forward to the late '80s, the freeway debate raised itself up again. This time, the debate over a western bypass helped cement the understanding that you can't look at transportation by itself. You have to look at transportation and land use together. The proposal was to build one-quarter of the beltway – the section from I-5 up to US 26 – and complete another part of an outer belt leg. The philosophy was that if we wanted to support and create the economic engine that is now there in Hillsboro, it needed better access to I-5. Access like Highway 217 was insufficient, and we could build a freeway that connected I-205 outside the urban growth boundary and not create a threat of building on that farmland.

The problem with that philosophy was that the urban growth boundary is a 20-year urban growth boundary, but the freeway is 100-year plus freeway. Eventually, we would be expanding the urban growth boundary to take advantage of the access that the freeway created. If we really wanted to protect the farmland, it would not be a wise decision to build a freeway. If we wanted to develop the farmland, it might be a wise decision to build a freeway in order to accomplish that, but our goals were to protect that farmland.

This was also an important time when looking at other alternatives came into play. LUTRAQ (Land Use, Transportation and Air Quality Connection) was a project spearheaded by 1000 Friends of Oregon. They were able to collect monies from foundations to pay for the professional studies; bring in experts from outside the region; and look at other alternatives to that western bypass. Rather than take our land use plan and the auto-based set of land use plans that may be dependent upon a freeway as givens, the premise was to look at changing our land use plans. Then, perhaps we could design a transportation system that more effectively served that land use system based upon moving the land uses around.

Think about Westside light rail, which wasn't there at the time, connected to what's now going to be a commuter rail to Wilsonville. If you take that arc and focus land uses around it, you could make a successful transit project (which would otherwise not be successful if you stuck with the land use plans that were there at the time). Those land use plans did change. As a result, they could support a transit system that – along with road improvements inside the urban growth boundary rather than a beltway outside the urban growth boundary – could effectively serve the area better than a western bypass. The decision was made not to build the western bypass. Instead, we moved to a multimodal-oriented approach that focused on Highway 217 and other arterials in the area and changed the land use plans to better support that approach. All this happened during that time period.

This debate in the late '80s was also a precursor to Metro's 2040 growth concept process, which looked at how we were going to grow in the region from the standpoint of how might we design the land use system and the transportation system to support one another. We went through a process of looking at different kinds of land use configurations, different kinds of transportation configurations, and asking "How do they work, where do they lead us, where do we want to go, and how does it help us get there?"

I won't go through it all. Just like the downtown plan, we could spend the whole day talking about 2040 alternatives. I want to emphasize the importance of the transit connections in the 2040 alternatives. When we looked at alternatives to inform those decisions, a base case option would have simply continued to expand that urban growth boundary another 10,000 acres every five years to support that expanding land use pattern. That was kind of a shock to people because it called for 120,000 acres of farmland being consumed for urbanization. This was right after we had all just finished our land use plans because the state's land use program called for protecting that farmland. That was too much for people to swallow.

So we looked at a second alternative that cut it in half to 60,000 acres of farmland. This was based upon the philosophy of questioning, "Why would we expand the urban growth boundary to create land for jobs when all the communities around the region already had places they were trying to grow jobs?" Downtown, they were building infrastructure to try and redevelop industrial parks. That's where we wanted the jobs. Let's just do an expansion of the urban growth boundary for houses and we only need half as much land.

Okay. It doesn't consume as much farmland, but now everyone has to drive to get anywhere to do anything they want to do: to go shopping, go to work – you name it. It creates a commute pattern that you just can't support, so that really didn't work.

We looked at Option B that just says, “Another million people – let's hold the boundary. Let's accommodate that million people inside the boundary.” That would produce a lot of transit riders with a large expansion of the transit system, but it would also pave an awful lot of green spaces. A lot of the neighborhoods David Bragdon talked about would be disrupted with a level of development that wouldn't be compatible with those neighborhoods. So there were some downsides of just increasing density throughout the entire metropolitan area.

Then we looked at an Option C that says, “You know what? That next ring of cities is going to bear some of the brunt of this growth. If Gresham was 5,000 people 50 years ago and now it's 90,000 people, why can't we expect Sandy – which is 5,000 people – to be 50,000 or 60,000 people 50 years in the future, etc., all the way around the ring? Let them take care of part of this problem. It's not just our problem.” Well, that's fine, but it's still one metropolitan area, and if you create all that growth out there, there's going to be an awful lot of driving back into the metropolitan area for schools, shopping, work – you name it. Again, that wasn't a very compatible solution.

But we learned things from each of these options that produced the principles of the 2040 growth concept that we now operate under, continue to refine, and have a vision to implement. It was unanimously adopted throughout the approval process at the Metro level and the local level – for that matter, at the LCDC (Land Conservation and Development Commission) level – as the vision for the direction we should be going.

The key feature of that whole growth concept is about concentrating the growth in centers and creating the transit connection to make growth in centers work. It is one of the most important connections. The centers are where we want to accommodate the higher population density and the concentration of jobs, create a walkable environment, and have good transit and auto access to those places. We want to concentrate that growth in those sorts of places rather than in the single traditional neighborhoods.

The public perception readily recognizes that it makes sense to increase densities in traditional downtowns and along the transit corridors. So let's go to where the people think it makes sense rather than into the neighborhoods, but let's make those places strong pedestrian-oriented places rather than auto-oriented places. Accommodate the auto access to it, but make them vibrant places. So there's a whole network of downtown Portland regional centers, town centers, main streets and light rail stations, all of which are some aspect of increased density in centers that are walkable places.

Industry is another major part of the 2040 growth concept that's entirely different than a transit-based, walking-based, centers-based approach. Industry is too important to our underlying economy, the wealth of the community job base and the tax base to ignore. It needs a different land and transportation system to support it, so that's an important part

of the plan as well. It may not be the key to the light rail connection, but it's got to be one that's accommodated. Industry needs larger pieces of land, big format spaces, truck access, rail access, and it has to be in a place that supports noise. It's not your coffee shop kind of environment, but it's a key part that needs to be welded in. And the two aren't necessarily compatible. Swan Island and Interstate MAX create a bit of a friction now and then being next to one another, but they both need to be accommodated. So you can't just do the transit, walkable, center-oriented component.

Throughout this whole system, we're trying to keep the urban growth boundary as tight as possible. We still have that fundamental value from the '70s of protecting the farmland. This is all about trying to use the land that we have as efficiently as possible to minimize how much urban growth boundary expansion we need to do. As we're developing, we don't want to just pave all the green spaces throughout the region. We want to protect those green spaces. It's sort of the pact with the community. Higher density means you deliver good green spaces to go with it, to provide a quality of life that people can enjoy.

Transportation is woven throughout this whole 2040 growth concept. It's all about providing multiple options, not just light rail, but the rest of the transit system too, like bikes. We have the highest bike ridership in the country. It's amazing. We also have a pedestrian-oriented environment, so our transportation plan isn't just a single element. It's all the different parts of the system. "What does the bike network need to look like? What's the freight system need to look like?" The questions go on and on. We're paying attention to the full multimodal system.

Information from our travel behavior survey underscores the centers/transit connection. It shows places around the region that have both high-quality transit and higher densities with mixed uses. Those places average about an 11.5 percent mode split. The rest of the region, which has a separated land use pattern rather than a mixed land use pattern, is without good transit and is an auto-based system. It's only one percent transit. So, with the combination of transit and land use in those key places, you can get ten times the transit ridership than the whole rest of the metropolitan area.

For the rest of the other modes besides transit, there is a three-fold increase in pedestrians and the use of bikes. That's mostly pedestrians in those walkable centers. The auto use in those areas is half: 9.8 miles per day per household versus 21 miles per day per household. When you do need to drive, you've got shorter distances to get to where you need to go. Then there's auto ownership and the cost burden to the household of auto ownership, especially for low income. It's half the auto ownership, at one car per household instead of two cars per household on average.

So we're trying to grow more of those places through this system of centers connected with high quality transit, and these are the sorts of results we can expect to see out of that. Clearly, the system hangs on high-capacity transit, mostly the light rail network. We get into a lot more of the specifics, but you know the system: Banfield in 1986, the Westside in 1998, airport, Interstate and downtown streetcar. Now we're building all four of those

routes at some point in time to the south: commuter rail, Lake Oswego, Milwaukie, and Clackamas Town Center.

Paying attention to the road system is not just about building the road system but also looking at what type of road system we want to build. It's not the same formula in all the different places. We need throughways for traffic-oriented places versus boulevards for pedestrian-oriented places versus multimodal streets that really need to be vehicle-oriented.

How you deal with congestion and how much congestion you deal with has been an important part of this debate. Level-service standards for designing new roads are very high. Roads commonly are designed to accomplish level-service D for a 20-year future. We think that if there's going to be a rush hour out there, an hour of congestion probably isn't bad if you've got other alternatives available. Maybe we should worry when it's two hours of congestion, or in the case of I-5 north, three or four hours of congestion. That's when we ought to be worried, not when there's simply an hour of congestion out there. What can we tolerate? We should be able to tolerate more if there are other alternatives available for people to be able to use. We won't tolerate as much congestion where there are not as many alternatives available.

Even local street conductivity is important. While we don't design the local street network, we do call for interconnections in that local street network. Rather than a system that's based upon the arterial and a bunch of cul-de-sacs, the interconnections allow people to walk and move around on bikes and in autos in those neighborhoods without burdening the major road system.

Parking has been an important part of the system. Less parking is necessary in these centers because it consumes less land (which allows the land to be utilized for other purposes in those centers) and it induces the behavior of using other alternatives.

So how does it all stack up? How do others measure us compared to other parts of the region? A study done about four years ago ranked all the metropolitan areas of the region for sprawl. Obviously, someplace like New York or San Francisco is way up on that least-sprawl meter, but we're ranked eighth in the country – the eighth least sprawling metropolitan area based upon their measures. We're not sprawling like the rest of the country, and it's noticeable.

Another study ranked all the metropolitan areas based upon walkability. We're the fifth most walkable community. This is a rating for the region, not just downtown Portland. Obviously, you'd expect San Francisco and Washington, D.C. to be walkable, but we're the fifth most walkable region.

In the last decade, we saw a 16-percent increase in population and a 25-percent increase in vehicle travel, so traffic is continuing to grow with population. The transit system expanded during that time period by making 20 percent more service hours available to the consumer, but the ridership response was a 53-percent increase to that service. That's

the effect of a good service providing more interconnections. When you add a route that connects to the other routes and the land uses that they connect to, the multiplier effect is a remarkable increase in transit ridership.

As a result, while the size of our metropolitan area is ranked as 24th, we're eighth in ridership per capita in the country. There's a definite drop-off of the typical million population metropolitan area in terms of ridership per capita. There was a drop to almost half in all of the other communities our size. Our ridership per capita is more typical of Boston and Philadelphia than it is to all the other metropolitan areas across the country.

And we're bucking the trend on vehicle miles traveled per capita. The yellow line (*on PowerPoint slide*) is the nation showing a continuing growth in vehicle miles traveled per capita. On the bottom two lines, one is the Portland metropolitan area and one is the Portland-Vancouver metropolitan area. We're continuing to decline in vehicle miles traveled per capita. That puts money back in the consumer's pocketbook to spend on other things if you're not having to pay for driving.

About five years ago, there were some headlines regarding a Texas Transportation Institute study that said we had the fourth worst congestion in the country and we were worse than Seattle. That doesn't make sense. Frankly, the measures they were using weren't very good and they went back to the drawing board. In fact, they skipped their report last year to take two years and scrub their methodology and republish all of their data.

Their conclusions make sense to me now. Their report that came out last fall shows the ratings of congestion for all the metropolitan areas in the country. Again, our population rank in their report is about the 25th largest in the region. I think you would expect levels of congestion to be roughly equivalent to the size of the community. We're ranked 21st in congestion relative to our size ranking of 25th. We're a bit more congested than our size would suggest in terms of congestion on the network. The travel-time index is a measure they produced that compares free-flow travel speeds on the network versus peak-hour travel speeds on the network. But because we have shorter trips, you're not in that congestion as long as elsewhere.

If you have a long trip elsewhere in the country, you're stuck in that congestion for a long time. The effects of that congestion say that we're ranked 28th in terms of fuel use per peak traveler. We're 33rd in terms of delay – actual delay per traveler in the peak hour. We're ranked 33rd in terms of congestion. Add the contribution of transit to that formula, and we're ranked 13th in the country for what transit does to help create that transit congestion savings. So we're doing pretty good compared to other metropolitan areas in terms of congestion.

It's not all about the numbers. It's about what people think about the place. This is Money Magazine's conclusion that they published a few years back that links it together

(from PowerPoint slide: “Money Magazine rates Portland #1”). It’s a land use – not a transportation – story, and in their minds transit is a big part of the success of this community.

Thank you.

David Knowles: Okay. You should be asking yourselves, “How can I be like Andy 20 years from now? How can I invent the next set of principles for land use?” I think you’re going to see a number of folks today who you’ve never heard about that have been incredibly important behind the scenes in making these things work. Andy is one of those people that has really been the connective tissue among all the jurisdictions. So I have a question for you, Andy. These land use principles are terrific. Why should Beaverton and Hillsboro and Gresham care about the same kinds of land use forums as the city of Portland? And how did you get them all at the table to agree?

Andy Cotugno: Beaverton has been wrestling with their downtown for decades. They acknowledge that there’s no “there” there, and they would like to see what you typically recognize as a downtown. They see light rail as being the focus for where that downtown is located. The Round gets a lot of criticisms in the development community because it went through some very difficult times of bankruptcy and delayed construction, but those buildings are standing and they’re occupied. The occupancy rates are higher than elsewhere in the corridor. The rents are higher than elsewhere in the corridor. They’ve got the nucleus of something for the surrounding area to add to. They see their downtown as the heart of their community, and they see the light rail stations as being the place to focus on and be the catalyst for that. All the trips there aren’t going to be on light rail, but light rail becomes the location that supports that broader system.

Downtown Hillsboro is the same thing. Downtown Hillsboro is a traditional downtown with a traditional grid system. It is the county seat, the city seat, but it also has been a pretty quiet place. They would like to see it revitalized as well. Same thing in Gresham. Same thing now in Milwaukie. The downtown is the heart and soul of those communities and they want them to be successful places. They have a much better chance of them being successful places with the added catalyst that light rail brings.

David Knowles: Questions?

Voice in audience: I’m pretty new to the area. One of the things I’ve heard in talking about Portland from afar is that some of the successes may be due in part to the escape valve of Vancouver. I’m wondering what you have to say about land use control up there.

Andy Cotugno: About ten years ago I was in a meeting up there of their MPO (Metropolitan Planning Organization) and a county commissioner, knowing that I was from Metro, complained that because of us they have the highest horse ownership per capita in the country. I said, “What are you talking about?” Her answer was actually true: we have restricted rural residential growth throughout the whole Oregon side of the metropolitan area. There’s rural housing out there, but it’s not the same level of rural

housing as is typical around a metropolitan area. That demand was curtailed around the Oregon side of the metropolitan area, so the entire metropolitan demand for that kind of housing is concentrated in Clark County. And they do have the highest horse ownership per capita for any county in the country because, essentially, our demand for that housing style is locating over there. They understand that. Unfortunately, they were about 15 years behind Oregon. We did our land use plan in the early '70s. They did their land use act in the late '80s. They have similar land use plans and are trying to wrestle with that, but the horse is out of the barn, so to speak, in terms of the land use pattern. It's already established there.

But downtown Vancouver is the most successful regional center in the region. We have a plan calling for regional centers in Hillsboro, Beaverton, Washington Square, Clackamas Town Center, Oregon City, Gateway and Gresham. They're all coming along, but the most successful regional center is actually downtown Vancouver, and they're dying for a light rail connection.

David Knowles: Another question?

Voice in audience: I'm one of the interlopers from Seattle and I want to kind of ask you the devil's-advocate question that we wrestle with. For all your successes in transit ridership, your ridership is well within the range that could be handled with a bus route transit system. In fact, in Seattle, our mode share is higher than what you've achieved in Portland using essentially only buses. Your light rail system is painfully slow between Lloyd Center and the tunnel portal and probably doesn't work very well for cross-town commutes. Couldn't you have had equally higher ridership at a lower cost and perhaps even faster travel speeds using a BRT system and a network of express buses?

David Knowles: Great question. I hope you'll ask it of some of the later panels too.

Andy Cotugno: In my personal judgment, I think a bus rapid transit system could effectively support a successful downtown Portland, but it would not support a successful Gateway, Gresham, downtown Beaverton, downtown Hillsboro, downtown you-name-it everywhere else across the landscape. I think light rail is a different catalyst for those development patterns in those places. The mode split to downtown Gresham will never be the mode split of downtown Portland. But that mode-share diagram that I showed earlier – we want more of those places across the landscape, not just in downtown Portland. You could get a successful downtown Portland and a successful downtown Seattle with a strong bus system because there's a natural transit market to that strong of a transit destination. It's an uphill battle to get a transit market in all those other places, much less a land use pattern in all those other places. Gresham's goal is for their land use pattern, not the transit ridership. The transit system and investment helps them get there.

SUCCESS FACTOR TWO: Alliances That Work

David Knowles: All right. Success factor number two: alliances that work. “It must be the water.” That’s what I hear so often from out-of-town visitors who come here and experience what we’ve been able to accomplish and how we’ve been able to reach a consensus across the region and among a number of different interest groups.

This panel is going to talk about the alliances that have been particularly important to delivering a unified message – both in Washington, D.C. and here at home – and about the ways in which they’ve been able to develop those alliances. Greg Baldwin will be the moderator.

Greg is an architect and partner with Zimmer Gunsul Frasca (ZGF). He has been directly responsible for designing the transit mall three or four or five times. He’s been really important to making it work and has been one of those folks – at the design team level and among the staff – who has been a very strong proponent of really high-quality design for light rail improvements. Believe me, that causes some tensions with the folks who are responsible for delivering projects on time and on budget, but I think that that tension has been very healthy over the long term.

One of the beginning steps in Greg’s career in architecture was to design a transit center in 1965 and ’66 that envisioned light rail coming into downtown along with other modes: a multimodal transit center. He envisioned transit connecting the airport and downtown. Then he had the opportunity in connection with designing the airport to think about putting that into place. One of the great advantages of being in your profession for a long time is that you begin to see things you envisioned actually become reality. It’s been gratifying for all of us who’ve worked with him to see the ideas that he developed become real.

Community Building: The Art of the Deal, Greg Baldwin, FAIA, Partner at Zimmer Gunsul Frasca

Biography: Greg is a partner at Zimmer Gunsul Frasca Architects. His professional career has focused on the integration of urban design and architecture through cooperative public and private partnerships. Several of his projects, including Portland’s MAX Light Rail system (a recipient of a 2002 Presidential Design Award), have become models for other cities nationally. Greg is a Fellow of the American Institute of Architects and the American Academy in Rome. He received a Master of Architecture and Master of Architecture in Urban Design from Harvard University, as well as a Marshall Prize and Fulbright Fellowship for his post-graduate studies. He was also the recipient of a Rome Prize in Architecture at the American Academy.

Greg Baldwin: Thank you.

I’d like to take 15 seconds and answer the last question, though, because I thought it was a good question. In 1973 as we were thinking of an alternative to the Mt. Hood Freeway,

I got a call from Glen Jackson who said, “What the hell is light rail? And before you do anything, convince me that it’s a good idea.”

Glen Jackson was the head of the State Department of Transportation at that time. So I “put” him in Lake Oswego and connected him with an imaginary light rail line linking to downtown. He said, “I understand that, that’s fine,” and we proceeded. If he had said, “What the hell is BRT?” I don’t think it would have been a successful conversation.

This panel is really about the deal, which takes on a different meaning in Oregon. There is a non-institutionalized ethic that we’re going to talk about today, which is that if it’s a good idea and a good deal, just do it. The deal is not about selling the idea; it’s about being synthesized with the idea. I think that when we’ve applied that principle, we’ve done pretty well. I think you’ll see examples that bear that out.

I would hope that this panel today is really talking about the future. The intention is to talk about things that have been accomplished, so that you can use them as you need to in the future. I think it’s important for the past not to explain the precedence that you need to carry forth, but rather to invest in your future. It’s our intention that this is what the panel will try to do.

As David said, I’m just a designer. I’m not a public official. I was for a very brief period of time. I’m not an activist and I’ve never been elected to anything. My comments really should be taken in that context.

Portland’s most creative moments in building a desirable community have not been the result of a large federal grant, the initiative of an elected official or the generous civic contributions of private citizens. Although these circumstances have benefited Portland in the past, the real change has been the outcome of contingent relationships.

This process begins when a party commits to an action that prompts another to respond, inspiring a third to participate and so on. It sets up a sequential reaction that affects all sectors of the community. In our area, contingent relationships have helped us reestablish the downtown as the heart of our region; enable the public school system to attract more money from voters than it could spend – that happened to be in 1978, but it’s a process that’s replicable; and establish a transit agency as a catalyst for rebuilding communities. The strategy is fragile, however, as it is not institutionalized and depends upon a common sense and inclination that may not be ingrained as an indigenous ethic. So the burden very often falls on individuals, usually several of them.

The environment for making deals to improve the civic circumstance in Portland requires more than the common commitment to public/private partnerships. Rather, it relies on the creation of a fertile environment that invites and supports uncommon initiatives. At its best, it’s an environment that encourages a person to undertake uncharacteristic actions of civic value to consciously encourage others to respond in a complementary fashion. In so doing, it promotes the principle that every good and desirable act has the responsibility for consciously begetting two or more equally valuable acts. I think you see

some examples with John Carroll's initiatives, Doug Obletz's initiatives and others in the West End recently with the streetcar. But to do less renders the initial act valueless. It's not that good intentions aren't of value, but if they don't beget something more, their value is limited.

Moreover, the environment that improves civic circumstance provides an agent capable of recognizing the potential of the action as it is considered and linking it to other responses. In turn, this foresight creates an environment beyond the clichés of conventional revitalization strategies and independent of adopted government processes.

The greater responsibility falls on those who establish and sustain the fertile environment rather than those who act within it. This implies that a collection of individuals and institutions, with diverse minds and egos but who share a common purpose, are present to consistently nurture a fecund circumstance. These individuals must promote complementary, significant contributions that assist the city and region to build, rebuild, and improve the community to realize its promise and its potential.

Over the past four decades, many examples of effective deal making produced improvements to our city that have served us well and enlightened others. Yet we have critical gaps where individual good intentions have produced less overall good than they should have. Thus, we have many institutions, neighborhoods and public bodies that function as communities of mules incapable of begetting anything. The fault is not of the individual intentions but of the absence of a strategic environment that would leverage their value and of the caretakers who would make and sustain that environment. Given our experience with an approach that works, we have no excuse for doing less.

What I'd like to do is take a couple minutes as a postscript and simply reflect on some of the experiences – and this is grossly oversimplified – that I think are representative of deal making with contingent relationships.

Harbor Drive: We were building a manifold of streets connecting it on Front Avenue into downtown. A lot of people thought that was a bad idea. We kept doing it. The governor and Glen Jackson decided that maybe it would be a good idea just to tear Harbor Drive out and leave the remainder to the city, which is basically what they did.

Before they did it, there were some rather extravagant ideas about how we could bridge over Harbor Drive. But basically, it was the removal of the roadway and the planting of grass that put the city in the position (and gave it the responsibility) of making it a place that invited the city to come back to the waterfront.

The Mt. Hood Freeway was supposed to be the freeway that would show America that freeways in urban areas could build neighborhoods, could rebuild communities. It seemed to us that would be rather difficult to do as we tried to design it, so we said, "What if we could keep the money and look at some alternatives to build those neighborhoods?" And we did so.

The Lloyd District had some land where we were going to put a convention center. There were a lot of folks over there who, frankly, didn't get along with each other. It didn't look like we were going to generate much until Vic Rhodes, Earl Blumenauer and a few others started asking people what they wanted for themselves and what they might do for each other.

In a round of private conversations over nine months, we developed a concept that Vic took to a breakfast with seven people. They drafted a half-page memorandum of understanding that federal, state, city and private-sector individuals signed. They committed themselves to \$34 million of improvements that would complement the development of the convention center and build streets, parks and infrastructure to support and invite \$2 billion worth of institutional and private development. And it keeps on going.

The Portland streetcar: There was a group of consultants – some of them are in this room – who wanted to work on it. They couldn't figure out how to do it, so they formed a 501(c)(3) that became Portland Streetcar, Inc. The notion was, "If we build it, maybe it ought to go beyond its original plan and connect with some other things." They recognized that it could capitalize on the interest of doing something in the River District and become a fundamental component in its development – an agent of change there. It also could perhaps get something going in the West End where very little had happened. With people like John Carroll, Doug Obletz and John Buchanan, you began to see some things happen there that had not happened for a long time. Of course, it has continued on.

Today in the Portland Mall, along a street that has been particularly inactive from a retail perspective, there's been created an "office of small moves." Tad Savinar is really making it happen. The notion was, "What if he went out and took a little bit of PDC (Portland Development Commission) money and started talking to virtually every property owner along the way to see if they could fix up their buildings?" In fact, it has been extremely successful. I think it has bred confidence along the Mall and had something to do with the fact that this Christmas retail sales went up in downtown, but in the rest of the country and the rest of Portland, they went the other direction.

There's an interesting deal at the end of the Mall. TriMet had to acquire some land at the light rail turnaround. The question was: "What if Portland State ultimately got that land and built something on it?" And the next "what if" was: "Well, what if they took advantage of that, and capitalized on the fact that OHSU and OMSI were coincidentally doing master plans for properties that would be linked by the Milwaukie line and cross at the Caruthers Bridge?"

It caused them to begin to look at things like I-405. "Could that be improved? Could we, with the city, go to ODOT and make some changes down there? Could we create some connections to the south, down to Corbett, Terwilliger and Lair Hill; and take advantage of the improvements that are being proposed across I-5? Could we make a significant contribution to the determination of how to cross the river and how those three campuses might be connected by programs?" In short, every one of them was simply about a good idea, and a good deal advanced simultaneously.

Panel Discussion

Greg Baldwin, Moderator

Vic Rhodes, Former Director of Transportation and Streetcar for the City of Portland and Principal of Rhodes Consulting

Tom Markgraf, Community Involvement Consultant

Ann Becklund, TriMet's Community Affairs Director

Greg Baldwin: I would like to introduce our panel. We have three people. Vic Rhodes is the former director of transportation for the City of Portland. I think he has distinguished himself as a person who is perhaps the best dealmaker, or as good a dealmaker, as Portland has ever seen. He's put together large and small projects involving all kinds of public and private entities that have really made a difference not only to transportation, but to land use in our region.

In the middle, we have Tom Markgraf. You often don't see what Tom does. What is remarkable is that whether it is I-MAX, the Columbia River crossing, the Caruthers Bridge, or dealing with noise at PIR (Portland International Raceway), Tom is usually there creating a context where solutions can be created and executed. It's a very critical role in this city because it is the glue that often consolidates and synthesizes the good ideas in the form of a deal.

Ann Becklund is director of community affairs for TriMet. I think the thing that distinguishes Ann among all of her peers nationally is that she not only is involved in inviting people to the table, getting them informed, and helping them feel like they are participating; but, more importantly, she makes them designers of the solution, providing them with the facilities and the stage on which they can perform or assume that responsibility.

With that, Vic, it's all yours.

Vic Rhodes: Thanks, Greg, and good morning. What I'd like to do this morning is share with you six principles that I found over the years. These principles have helped me hold deals together for the betterment of the community. I'd also like to give you a little perspective about how those things came about.

Principle number one: You need to have a very clear understanding of what you're in business to do. I can't overemphasize that. From my perspective as transportation director, it was never about building a light rail line, a streetcar, or a highway improvement. Rather it was about building a community. It was about creating housing opportunities, job opportunities and economic development opportunities, and attracting complementary private sector development with the project or the deal that we were doing. What guides the development of the project deal is a creation of those opportunities, not just the highway program or the transit program or whatever it might be. Every time I was faced with a pivotal decision going through a project, when we came up against a wall, I stopped and asked myself, "What are you in business to do, Vic? What are you in business to do?" When I answered that question, it resolved the

decision-making process immensely. It was pretty darned simple. Frankly, I don't think enough public agencies stop and ask themselves that question frequently enough. I think that's when they tend to get lost in the weeds. I hope that philosophy, if you ingrain it, will help you to do similar kinds of arrangements.

Principle number two: Know your bottom line. Before you try and make a deal, you need to know what it is you want and when you're willing to push back from the table. Just making it up on the fly will lead to mistakes and regrets, so you need to know what it is you need as an end result. Sometimes you have to rise above your principles through the process of negotiation; but, again, don't make it up on the fly.

Principle number three: Money follows good ideas and seldom is it the other way around. And remember, there are no bad ideas. There are just some that are a little better than others. Greg mentioned the Lloyd District. I want to talk about that as an example. This is actually when I first met Greg. I was home trimming an ivy wall and got a call from then-Commissioner Earl Blumenauer saying, "You need to be at a press conference at two o'clock. We're announcing an initiative in the Lloyd District." I was clueless what was going on, but it was clear something was going to happen. ZGF produced what became affectionately known as the silver bullet, which was a broad-based menu of improvements that could be complementary to the siting of the convention center in the district. Nobody had a clue as to how that program would be implemented or funded.

So rather than just throw money at it, we sat down with the business community and all the agencies involved for about a year and refined that list. We did a high-level urban design, enhanced the quality of that design, and came to a firm consensus on what ought to be done in the district. The problem was that the tab was about \$33 million, of which about \$11 million was budgeted in bits, pieces and shreds by various agencies, be it Metro, TriMet or the city.

So what happened was PDOT (Portland Department of Transportation) stepped up and we said, "We'll put \$5 million in the pot towards the balance if our partners will do the same." Our partners were the Portland Development Commission (then I think headed by Pat Lacrosse), TriMet, and the private sector through a local improvement district. That became the contingent relationship in which all parties agreed to chip in to buy the overall program. Not all of them bought into the notion of each project element, but they all had their favorites and realized that by going for the whole program, they got what they needed out of it. Essentially, they got a dollar's worth of bang for a 25-cent contribution.

But going back to what we're in business to do...If you looked at NE Holladay Street before the convention center from a transportation perspective – a purely transportation perspective – there was not a darned thing wrong with it. It worked fine. But we invested several million dollars in Holladay Street to upgrade the urban environment. I would argue that was one factor which led to the siting of the Liberty Center at NE 7th Avenue and Holladay Street. I think those investments will continue to bear fruit over the years.

Greg showed you (*on a PowerPoint*), but I'm going to do it again: this is the half-page agreement that committed the parties to the \$34 million. Frankly, when it came time to do the deal, I forgot to get the lawyers involved. That's why it's half a page.

Principle number four: This is really important, a deal is a deal. You'll have some regrets along the way and, sure, you'll make mistakes. I would argue that if you are not making some mistakes, you're not trying hard enough. The key is here not to make the same mistake twice. In addition, your job is when your people make a mistake, help them pick themselves up and get back on track. If they make the same mistake the second time, I'll leave the disposition of that matter to you.

Several years into the Lloyd District, it became clear that the PUC (Public Utility Commission) could not come up with the \$5 million necessary for one of the absolutely pivotal projects in the district. I proposed that PDOT take over that obligation for that project. I clearly remember going to a budget meeting with then-Mayor Vera Katz. She questioned me, "Why are you doing this? You don't have a legal obligation to do it."

I said, "Mayor, because a deal is a deal and the city has a moral obligation to see it through." And the deal held together.

Principle number five: Listen, listen, listen. Deal making is not about talking. It's about listening carefully and understanding what will motivate your potential partners, what makes them tick, what they need to get to yes. Frankly, sometimes in this negotiation, you do have to rise above some of your principles, think about what you're in business to do, and weigh the trade-offs that are being put on the table. Always remember this: It's not about winning. It's about getting the job done. Don't hesitate to make others look good. Don't hesitate to credit them with a good idea, even if it's your own.

The last ***principle, number six:*** You've got to provide ongoing stewardship. Making a deal is one thing. Seeing it through to completion is another. Having made a deal and simply turning it over to staff to implement doesn't work. You have designers, you have CAD operators, you have other people involved making little bitty incremental decisions that, at the end of the day, can significantly change the context or the concept of what you were trying to do. It's kind of like passing a secret around this room. By the time it gets back to me, I'm not going to recognize it. So it's important not to look over their shoulder constantly, but to check in from time to time. Exercise an appropriate manner of control so that, at the end of the day, you get what you bargained for.

Finally, in closing, I'll offer you a couple random thoughts that I had. As planners, I would urge you not to be constrained in your planning by budget. That can come later. If we had been constrained, frankly, there would not be a Portland streetcar today. When we started the streetcar, we had about \$800,000 in the bank. Nonetheless, we issued a request for proposal for somebody to come to Portland and design, build and operate a streetcar. What we got out of that was a formation by a group of local business people, Portland Streetcar, Incorporated. I said, "We're going to sit down and help figure this out," and we did. We were not budget constrained.

The last point I want to make is that many of you are in a position to develop or influence public policy, and you need to have a really broad perspective in doing it. It occurs to me that so much of public policy is simply scar tissue left over from some stupid mistake that was made along the way. In the process of developing that policy, you put handcuffs on and you make it much more difficult to do what you're trying to do and create the community you inspire to be.

Thank you very much for your attention.

Greg Baldwin: Thanks, Vic.

I think two of his messages really stood out to me. Number one, when he was directing the Bureau of Transportation, he felt his responsibility and the responsibility of the bureau was to build communities, not just to build and operate a transportation system. What was unique – and remains so – is that's the way that he behaved and I think that is critical. That's not the norm nationally.

The second was when he talked about “the deal is a deal,” because when you have a partner in a deal who is not able to perform, you assume responsibility to cover their performance. Again, that's usually when a lot of people walk.

Tom made a comment in an earlier conversation, which I think is probably quite relevant, that if you offer something and they say no, or ask a question and someone says no, it's time to reformulate the question.

Tom.

Tom Markgraf: Thank you, Greg.

I've been asked to talk about the birth and the conception of light rail going up Interstate Avenue. I want to put it in a little bit of context first. Prior to working on Interstate Avenue, we had a campaign for South-North light rail. I was one of two guys working on that campaign for a light rail line that would go from Hayden Island through North Portland, down through downtown, across the river and over to Milwaukie.

We lost that campaign by a smidgen – by just a hair. We did a private poll afterwards on why it lost. Now, put it in some context: we had just opened Westside light rail. It was a massive success: 250,000 people rode it over three days just for fun. That thing was terrific. It was the Cadillac of all light rail lines. It was beautiful. In the poll on why the South-North rail lost, a lot of people in a certain percentage didn't vote for light rail because they were on the Westside and they already got their piece.

A bigger reason why we lost light rail was because we had the lowest voter turnout in Oregon history. Imagine that, in any election, it was the lowest voter turnout. Here's the scariest number. Of people between 18 and 35 – what percentage of those people voted? Six percent.

When we lost that, there was blood in the water. All of a sudden that was off the table. The rest of the region started to say, “Well, let’s go for that money that was going to go to North Portland.” It started to happen at a JPACT (Joint Policy Advisory Committee on Transportation) meeting when Washington County representatives said, “Well, that project’s over. Let’s put the rest of the money into commuter rail for us.” They had just gotten a billion dollar project and now they were grabbing more.

I used to work for Earl Blumenauer. Don’t get me wrong, Earl is absolutely the finest elected official I have ever worked with, but he’s also the scariest man I have ever known when he gets mad. He was sitting in the back row of the JPACT meeting as Washington County was making that grab. Earl stood up and in his scariest “dad” voice he said, “The people of North Portland are paying the bonds for the light rail line you just got, and this corridor is for them.” That stopped things for a little while, but there was a lot of dust in the air and nobody knew what to do. There really wasn’t a steady hand.

There were a couple of guys – some people have called these guys schemers but I call them visionaries – in that cloud of chaos. Dick Feeney and Neil McFarlane saw that something should be pulled out of this. There had to be some project. They were thrashing around asking, “What do we do now?” There were a lot of people who said, “It’s dead,” and a lot of people at TriMet who said, “We’re not going any farther.”

At the same time those guys were wondering and talking, there was a guy named Dick Reiten, who was the head of Northwest Natural Gas. Dick Reiten was one of the few heads of a corporation that really was involved in the community. When we lost the campaign, he read the paper for the next few days. He was stunned. We just lost a billion dollar project. He hadn’t been paying attention to it because we always pass light rail projects. They always succeed. The business community just sort of took a pass on this one. They thought it would happen but they weren’t involved. His folks talked to the schemers and said, “Well, what do we do now? Is there something we can resurrect out of this?” And they said, “You ought to call Tom Markgraf.”

I didn’t know this was happening. I got a call from the government affairs guy over in Northwest Natural Gas and he said, “We think you could help us put together something.” I was in the depths of despair, rolling around in ashes, and thinking it was all my fault we’d lost the biggest transportation project in the world. My reaction to him was, “No way,” and I hung up.

Then I got a call from Dick Reiten a couple hours later saying, “I hear you don’t think you could do this.”

And I thought, “Fine, I’ll get involved a little bit,” but I had more skepticism and cynicism than maybe in my life.

I put together a few meetings for him of downtown business leaders. I brought in Northwest Natural Gas and he (*Dick Reiten*) talked to those guys and said, “You know, we need to start doing this because TriMet doesn’t even know what it’s doing right now.

We need to pull something together from the community and make something happen because I think there's still an opportunity."

I then started working with the community in North Portland. I think the most important things are relationships and connections to the community. They are so critical throughout this region, and in any community, because I believe that's really the only way to get things done.

I started calling people in North Portland. You should know that my family has lived in the Piedmont neighborhood for five generations. We know where all the bodies are buried. We buried many of them. I was also the chair of a neighborhood association in North Portland (Piedmont again) for a long time. So I had a lot of family relationships, and I had a lot of community relationships. I started calling guys that I knew on Interstate Avenue. I called the guy who owns the Night Hawk restaurant – I went to high school with him – and said, "Billy, I think we can do something here."

Billy said, "I don't think we can do anything here, but I'm willing to listen."

I started calling the businesses (and there weren't very many of them on Interstate Avenue at that time) and saying, "You know, I think we can do something here that will change the community." I started calling the neighborhood association chairs. Again, at TriMet, you only had a couple of schemers who thought we could do something. Even the head leadership didn't think anything could be done. I pulled together a sit-down dinner at my house with 26 people. My house isn't that big and the table went out the dining room and took an "L" down the living room. We invited Neil McFarlane and Fred Hansen to come and talk to these guys. After about a two- or three-hour dinner, Fred was walking out the door saying for the first time, "Maybe we really can do something here." That was a really innovative, different approach. It was absolutely from the ground up.

Then, we had to have hearings. We had a hearing led by Ed Washington who showed a lot of leadership on this issue. He was a councilor with Metro in those days. It's really easy to get the negative people out to a hearing. Every one of you knows that. It's really, really hard to get positive people to a hearing, but that was my charge and I worked on it night and day.

I got over 100 people there to testify in favor of an Interstate Avenue line. One of the people was a lady named Madeline Nausbush who was a telephone operator with my great aunts in the 1930s. She was 86 years old. I was so excited to see her and I said, "Madeline, you came." She was really mad. She hit me and said, "You called me four times and you sent me three postcards." It takes that kind of effort to get those people out.

In the end, it was about relationships and community and trust. What our friend Vic said about trusting your partners is absolutely right. You have to be able to relay a manner of trust. I was able to stand in the parking lot of the Night Hawk with Neil McFarlane and Bill Mildenerger and say, "Billy, I trust this guy with my life," and have Billy say, "Well, if Tom trusts him, maybe I trust him, too." Same with Ann Becklund. It's a matter

of establishing those relationships. What has been so helpful after Interstate MAX is that when I worked on projects in Lents, or now in Vancouver, I am able to bring those people who went through the Interstate Avenue project to other communities and have them say, “You know what? TriMet stood by their commitment to me. TriMet kept my business open. Construction was tough, but they were there every step of the way. They had crazy lunch wagons that kept people there and it worked, and our business is so much better because they kept their promises.”

I hope it’s that way all around the country, but I don’t think so. I found it to be that way here because we’re not building a transit system, we’re building a community. That’s exactly what we are charged with here.

Thanks.

Greg Baldwin: I’d like to introduce Ann Becklund, a truly extraordinary public servant. We really have benefited so much by her perseverance and what she has given transportation. As we thought about what we would like to do, Ann has helped us share it broadly and solicit the best ideas from a large number of people.

Ann.

Ann Becklund: Thanks, Greg.

I would like to tell you a short story about a long process that does have a happy ending. Along the way, it has a lot of Dickensian qualities of “It was the best of times; it was the worst of the times.” Actually, it was the first opportunity for me to meet all the gentlemen on this panel and it really illustrates for me how important relationships are and how much can be accomplished, especially when you involve your public. It illustrates the importance of not involving the public just as a matter of checking off a federal guideline – that you have to have this meeting and you have to hear what they say – but really involving the public in the conversation. It involves the Goose Hollow neighborhood during the construction of the Westside light rail project.

At that time, we were proposing to build an 18-mile long light rail system all the way out to Hillsboro, but a critical piece of it was immediately west of downtown in the historic Goose Hollow foothills neighborhood. We were going to put the entrance to our three-mile long twin tunnel there. We had established that it wasn’t going to go on Highway 26 west alongside the traffic lanes, but that it would go into a tunnel. The neighborhood was basically in a firestorm about what they saw as an imposition of this line: both the at-grade light rail tracks and the tunnel entrance. I later heard when I came on the project that Vic Rhodes was responsible for hiring Shields Oblatz Johnson as a marriage counselor for TriMet and the city in order to mediate this kind of disagreement.

The interesting thing about doing this kind of large-scale transportation work is that nothing unifies a neighborhood, nothing galvanizes once-warring factions, like the opportunity to oppose a light rail project. That’s certainly what we found in Goose

Hollow. We were up against the MAC Club, a local historic Lutheran Church, Lincoln High School (which is the oldest high school west of the Mississippi), lots of local business owners and the West Hills neighborhood right behind it. So we had our work cut out for us.

The important thing I'm going to tell you today is not about the quality of that struggle, but what it accomplished. My apologies to those of our audience who are from Washington state, but I will ask the local audience to imagine yourself standing on the plaza of PGE Park today at 18th and Morrison. As you look across the street towards the light rail station and you look south, I want to enumerate the kind of ideas – the really big ideas – that actually came from our Goose Hollow Neighborhood Association. These ideas made that project what, I feel, is one of the best stretches of our entire system in terms of truly reflecting the people who live and work alongside, and ride, our system.

You look to the light rail station right across the street, but beyond that, there's a transit-oriented development with first-floor retail and market-rate apartments. We had once proposed to put a park on this very odd parcel that was left over after we bought the block from the local Mercedes dealership. The neighborhood came in and said, "No, we want you to use this space better. We'd rather have more housing in our neighborhood."

As you look in the track itself, you see the historic Belgium blocks that were once rumored to have come to Portland as ballast in sailing ships. They are actually a beautiful design detail that, at the neighborhood's insistence, follows the light rail tracks all the way to the tunnel entrance.

You also see what, I feel, reflects the best public art we have – all the way from Bart Simpson (whose creator, Matt Groening, went to Lincoln High School) to a depiction of the local Chinese community that once had all the farms in Goose Hollow at the turn of the century. All of those entities are represented, especially in the wall alongside Lincoln High School. Somebody in our program worked with three different years of Lincoln High School art students to develop that public art wall and really reflect what the high school community has brought to the neighborhood. It replaced an eight-foot high chain-link fence with razor wire on top. That's certainly a big improvement.

Last but not least, we have the Kings Hill station, which is at 18th and Salmon. It is truly a station that was wrought by the neighborhood because they literally demanded it. If they were going to own the light rail system, their ownership was going to be visible in their access to the station at that point.

They also placed all the major utilities underground at a cost of over \$1 million in a partnership between TriMet and PGE sparked by the neighborhood association. We also replaced parking. It always amazes me when I'm on a light rail project that I spend so much of my time mitigating parking. It's just part of the process. But we replaced it on a one-to-one basis on lots that still operate today to give people incentives to use their cars wisely in this very dense urban neighborhood.

Those are some really big ideas that I think the neighborhood put into the system. It also taught TriMet and our jurisdictional partners a really important lesson about how to operate. We know that we've got to partner with the public very early. Greg refers to it as the tracing paper test. We don't go in with the CAD drawings. We don't wait until we've got it pretty and perfect. We go in at the very first – usually following on the heels of Tom, who's broken the idea that we're going to do something here and we want the neighborhood to work with us.

So we're in there at the first. We're talking to people about what works. We're exploring their ideas. We're also testing their ideas. It's remarkable to me that when you actually open the development process to people and allow them to test their ideas, sometimes the things that are kind of wacky to us, when you draw them out, will be wacky to them too. I've seen that happen.

We also know that the design that we do has to respect and reflect the community, whether it's the community's desire for additional bike lanes; for preserving that parking in some form; for having the faces in their community reflected on our work force, or whatever it is. The public art is probably one of the most important things about that. Our public art team and our public artists get in there and they make it relatable. They bring in the stories about how people feel about their bit of the world and make those real. The public art really helps integrate the light rail system into the community beyond the transportation mode.

Finally, we all know that we're really in it for the long haul. These conversations are not just the initial ones that we're doing in conceptual design. We know that they are long-lasting relationships. Typically, they can be seven to eight years in length. We don't always agree with each other. Sometimes it's contentious, but it is always respectful. We always keep our eyes on the prize together, about what we can make possible. Because the project we're going to build tomorrow is dependent on the project we build today and the interactions we have with the people that we partner with to build it.

Thank you.

Greg Baldwin: What I observed at Goose Hollow, and have again and again, is a characteristic that distinguishes the city and TriMet: they weren't selling the concept, which is patronizing. They weren't asking for opinions, which is patronizing. They were seeking advice, which is a compliment. Frankly, it was also enlightening.

Questions for our panel members, please.

Voice in Audience: Ann, one question I always wanted to ask you is about how we continue to build that kind of community support and partnerships on projects as our budgets get tighter. I don't think we're ever going to see a project like Westside...that we could build a Cadillac again. So how are you doing that on I-205, and how do you see that moving forward on the Milwaukie project as we're really having tightening constraints on our public projects?

Greg Baldwin: Could I say a word about Cadillacs?

Ann Becklund: Sure.

Greg Baldwin: Tom Walsh at the beginning of Westside said, “We can’t build a Cadillac. We got to build a Buick.” At the end he was talking about building a Pontiac. I think the point was that they really tried to fulfill the expectations and, more important, they tried to fulfill the promise of the project. I hope that’s a goal that we never sacrifice.

Ann Becklund: It’s a funny thing to me: No matter how technologically advanced we get – and I am so thrilled that people who work with me are able to do things like a visual simulation of the downtown Mall, which was incredibly informative and practically sold itself in terms of a big idea; or the advantages we have now of being able to post everything that we do on the Internet so people can readily access our community notes, or know about the project or the facts and figures – what remains for me is still that one-to-one contact with people. That long-lasting relationship that is open and accommodating and has the infinity symbol on it: it goes back and forth between the two people who are interacting. I think that is still the key of what we’ve done.

I very much appreciate that TriMet made the investment at the Westside project to put the community affairs people out there, not as an afterthought or as a PR gesture, but to basically embed them in the project with the engineers, architects and the money people. They were part of the system, and their job was to translate and bring those good ideas and that goodwill from the public into the project and make it whole. I think that the key – no matter what size project you’re doing or how much money you’ve got – is to keep that conversation going, keep it open and always be soliciting information all the way through.

We still have relationships that we developed on Westside. Claudia and I still get calls from people that we worked with 15 years ago because we are the ones they know and trust to get their idea heard or their question answered at the right place within the transportation organization.

Greg Baldwin: I also would like Vic to elaborate on that because there’s a principle I know he has espoused which is “If you can’t build it well, and better than you did it last time, don’t do it.”

Vic Rhodes: I do think what is built in the public realm and the quality of what is built in the public realm has a great influence on what is built in the private realm. By building quality in the public realm – whether that means bricks on Holladay Street or in downtown – heightens the expectation for the private sector’s level of effort in architectural excellence. I think it’s a really important leverage point. If you’re going to do it, do it right.

Greg Baldwin: Next question.

Voice in Audience: This is for Ann again. The experience you had with the Goose Hollow and West Hills neighborhood, it sounds like you still have a relationship there. What has been the level of satisfaction to this point after the line has been in place? Has the neighborhood basically been satisfied with what was done? Are there still issues that they're dealing with? And have you found that relationship has helped you in working with the other lines that you've done in other parts of the region?

Ann Becklund: It's still a very thriving neighborhood. I'm very happy to report that we can illustrate that light rail does not harm property values, since many of the homes are in excess of a million dollars now within half a mile of this particular light rail line. There was an old parking lot at the corner of 18th and Salmon that we bought for a dollar because it had hazmat problems on it. We took it on, cleaned it up and right now we're in the process of getting a developer to build a new transit-oriented development on it. So the light rail continues. I think it's been a boon more than we ever realized for Lincoln High School audience. I've got to tell you that we've got our own problems with schools in Milwaukie right now having trepidation about light rail, but that's the irony of doing this work. People come from all over the U.S. to talk to us because we are a laboratory for light rail, but we face the same challenges that every community throughout the U.S. does in terms of talking to people about what kind of neighbor light rail will be. The best thing that we can do in talking to new communities is actually introduce them to the folks along Interstate, or the people in Goose Hollow or the people in downtown Hillsboro so they can hear about the realities of living through construction and reaping the benefit when thousands of people are going by your business every day and helping to fuel that economy.

Greg Baldwin: Thank you.

Voice in Audience: This question is mostly directed to Tom, but I think all of you could provide some kind of guidance on it. A lot of what you discussed is based on how you utilized existing relationships from past projects and in making new deals, but a lot of us might not have that many of those kinds of relationships. There's a lot of people here that may not have grown up in a local neighborhood to reach out to people they know. What would you provide as guidance for creating new relationships either in new communities that we might be working in or with new people within existing communities that we're working in?

Tom Markgraf: I am amazed at the importance of just talking to people because that doesn't happen a lot. Establish breaking bread with folks or taking them out for a cup of coffee first. Begin with the simple building blocks that we all neglect. We've been doing it for 10,000 years. It's still important to break bread with people and to talk about your family, to talk about your community. "Gee, my dad was a teacher." "Oh, I had a teacher once." I mean, simple things like that communicate to humans. It sounds kind of hokey, doesn't it, but it really is the beginnings of how you start to establish relationships.

The best story I do have on those connections was in Lents when we had to work with a very difficult guy who was managing a mall out there. I called him up out of the blue and said, "I'd like to come out and talk to you. How about in an hour?"

And he said, "Fine."

I said, "You know, my grandfather built that mall. He was a contractor in the 1950s."

He said, "Oh, who's your grandfather?"

I told him. In the time it took me to drive from my office to that mall, he called the owner, who was still alive. He's almost 100 years old. I walked into the guy's office and he said, "So your grandfather was Louis Flemming. I just talked to the owner. He was there. He says I can trust you."

Those relationships are important, but they begin with a conversation.

Vic Rhodes: I commented that relationships don't happen overnight. It's kind of like dating and getting married, but it's all about the word trust, and Tom used it a lot. It's also about integrity. You know, when I first met Andy Cotugno or Neil McFarlane or Dick Feeney, we were pleasant to each other. But over a period of time, when you do what you say you're going to do and when you behave in a way that builds that trust relationship, then it becomes a real team effort. Having some of the philosophies that we had in terms of "it's about building your community, not a light rail line," goes a long way towards cementing those relationships. Everybody is pulling in the same direction.

SUCCESS FACTOR TWO: Alliances That Work (Continued)

David Knowles: Our next presentation is a continuation of success factors relating to alliances that work. Dick Feeney, probably more than any single person in the region, is responsible for delivering about a gazillion dollars in federal money to light rail projects. He is also part of the core planning group for this session and had more ideas than we could possibly accommodate. He's going to talk about the unique blend of technical and political practicality that you need to bring to these projects. Then he's going to talk about a top-secret subversive organization called TMAC, the Transportation Management Advisory Committee, and how that group has been really fundamental to the alliances that have helped push the agenda forward across the region.

Dick was director of government affairs for TriMet from the time before many of you were born to 2003. His other government service background includes work in Washington, D.C. for Edith Green, a former congressperson from Oregon, as well as a stint with Don Clark, a former county executive. He also has a distinguished Master of Public Administration from the John F. Kennedy School of Government at Harvard and he has a degree from Portland State University. We're very pleased to have Dick here today to talk about the work he's done over the last few years.

Working Together: Sharing the Risks and the Money, Richard Feeney, TriMet's Former Executive Director of Government Affairs

Biography: From 1978 to 2003, Richard was the executive director of government affairs for TriMet, where he served as the agency's liaison with state legislature and the U.S. Congress. Richard directed the efforts to achieve nearly \$2 billion in state and federal funding assistance for TriMet's bus and rail systems, which created 53 miles of light rail lines in the Portland region. Before joining TriMet, he was the director for the Institute of Policy Studies at Portland State University. Richard recently served as the interim director of government relations for the 2007 legislative session at Portland State University and he remains a periodic consultant to TriMet Government Affairs. He received a Master of Public Administration from the John F. Kennedy School of Government at Harvard University in 1974.

Richard Feeney: I'm going to talk a bit about TMAC (Transportation Management Advisory Committee). What happens at TMAC is unique. There are no minutes. Decisions are made, but there are no votes. Meetings are frequent, usually every two weeks, and there have been years at a time where they often met weekly. It's always at the same place and at the same time and always led by the TriMet government affairs executive, but it was neither created nor owned by any one jurisdiction. The larger jurisdictions and many smaller ones are always there year in and year out.

During the 1970s, political blood letting over transportation issues was a daily sport here. It eroded the time of elected officials and wore out the patience of the public. When TMAC came into being in 1981, Metro and JPACT (Joint Policy Advisory Committee on

Transportation) were looking for a place to contain the fight so it didn't spill out unnecessarily into the political arena. The new MPO (Metropolitan Planning Organization) with its two-tiered structure wanted an intelligently thought-out agenda and list of strategic choices to discuss. The Portland region had just emerged from a long and divisive fight over transportation politics that wrecked as many political careers as it made.

Freeway advocates were savage. The bumper sticker for 1978 read "TriMet Sucks." The son of the general manager, who was nine years old at the time, saw that in the car ahead of him and burst into tears. People said they shunned the bus because, as Ross Roberts noticed himself, they were afraid that someone would reach out and touch them.

People who ran for public office had to declare for the freeways or for transit regardless of what they really thought about anything. The fight came to an end with the withdrawal of the Mt. Hood and I-5 freeways and also by stopping the I-205 construction dead in its tracks and getting it redesigned. What enabled that to happen was the passage of the Land Conservation and Development Act, Senate Bill 100 that David Knowles talked about earlier; the election of environmentalists to state and local government posts; and the elevation of transit to the highest priority for transportation investments.

Most importantly, as a result of the withdrawal of the freeways, a gigantic sum of money – eventually over \$500 million – materialized into the so-called freeway withdrawal account. The region planned to use these funds for alternatives to the interstate. But in the brave new world of environmental and land use sensitive transportation projects, there was also dependence on large high-capacity transit projects getting massive grants from the federal government. This was crucial because it meant that the freeway withdrawal monies would not all be soaked up into the high-priority transit project. They'd be available for hundreds of small projects. TriMet had been sent out to secure a general fund match from the state for the new Banfield project, but the keystone was TriMet's success in the very last days of the Carter administration in getting a nearly \$90 million general fund Letter of Intent signed by the Secretary of Transportation. This was going to build a rail project. Although TriMet had first call on this withdrawal pot if it needed it, the withdrawal money was going to build everything else. Andy indicated what some of those things were.

So peace was at hand. The withdrawal money was there for everyone. Transit would get a huge grant to start a rail line. But a few days after the Reagan administration came into office in January of 1981, it announced that they would not spend any money on any rail transit project anywhere in the nation.

Secretary Drew Lewis was hauled before the Senate Appropriations Committee, which was newly chaired by Senator Hatfield, and asked to explain. He said, "Well, frankly, rail is not cost effective. It takes too much tax support and doesn't work." He said we could spend the promised money on buses, but not on rail.

Confronted with the presence of the freeway withdrawal money, however, he conceded that it was under local control. “If you want to spend your freeway money on a rail project, I guess that we can’t stop you.” At that time, Mayor Frank Ivancie appeared before that same committee. In spite of a long history of supporting freeways, the mayor declared the region’s road projects a dead duck. “Better to take a bird in the hand than two in the bush,” he intoned, telling the senator to forget about the road projects since we’re not going to build them anyhow and to appropriate the money for the rail project. Go ahead and build them.

Regional officials went berserk. One said to me, “How can the mayor go from being a freeway freak to a transit nut in the blink of an eye?” Phones started ringing all over the region. Thanks to the mayor, TriMet was going to suck up all the money. The peace was coming undone and chaos was about to ensue.

Then the phone rang on my desk. It was Susan Long from the senator’s appropriation committee staff. She said, “We are not going to solve this problem for you. Get your act together and we’ll get you money, but we’re not going to restart this political fight.”

So the first meeting of what became TMAC convened at Viva Zapata’s restaurant underneath an overpass to give some revolutionary zeal to the situation, but it was called out of fear by the Metro executive and the TriMet board chair. All three counties came, the city, ODOT, Metro and TriMet, and we all stared at each other. “Well, we should all hang together or we’re all going to hang separately.” Like Ben Franklin, we were going to be statesman like. “How do we build this project? How do we get the money? Who speaks first in Washington, D.C.? How do we keep everyone together? What do we do about rules?”

Answers began to emerge. TriMet would be the lead agency to seek the money. We would team together as a region and have one spokesperson in D.C. The trouble was that nobody trusted anyone else at all. Whenever I would go into a TMAC meeting, I always thought it was a little bit like taking the controls of a jet plane. Well, at that first regular meeting of TMAC in 1981, that jet plane was in a nosedive. I got an earful of asides. This is a direct quote: “Don’t trust that guy nor that guy over there...and by the way, we don’t trust you either.”

Jurisdictions were routinely going on their own to the congressional delegation asking for road earmarks, so we recruited part of the TMAC crew to approach Governor Atiyeh and ask for help. At TMAC’s request, he wrote Hatfield and asked him to make no decisions for the Portland area until the region had come together. Atiyeh said he would indicate when that had happened and who the spokesperson was. Until then, do nothing. That meant no money. Hatfield said, “That’s a terrific idea.” Then it was up to us.

In short order, we hired former U.S. Representative Bob Duncan, who had been the chairman of the Transportation Appropriations Subcommittee until just that year. He became our D.C. spokesperson. The decisions he carried would be the JPACT decisions and every one of the major jurisdictions pledged to unite behind him.

Then we went back to the governor saying, “We’re pledged to stay together behind Duncan.” The governor wrote the senator and the senator wrote back, in effect, saying, “So be it.”

Quickly, Duncan’s job became very complicated, and the legislative strategy that emerged from the brand new TMAC was bold:

- First, take Drew Lewis at his word and switch the \$89 million over to buses instead of building a rail project.
- Second, anchor the rail project with the withdrawal funds.
- Third, come back immediately and renew the transit grant request for as much as we can get.
- Fourth, designate the freeway construction/LRT (light rail transit) construction as one project.

Duncan asked, “Why do you want to pick this fight on the transit grant when you already have enough money in your withdrawal account?” The answer was, “Because the administration is wrong and we need the money to build roads.” As Senator Hatfield taught us, if the rules don’t work, be sure to change them.

So Duncan said, “You mean we’ve become road lobbyists?” The answer was, in effect, yes.

Duncan was afraid that we would be seen as trying to have our cake and eat it too. Our response to that comment was, and always has been, “What else do you do with cake?”

Well, Duncan was an easy convert. Inside of a year, with his help and strong support from Senator Hatfield, Congress required the administration to cap the withdrawal money for the rail project, load it up with the new transit grant and reissue the Letter of Intent for buses. That \$85 million long-term bus grant became the longest and the largest in the country and supplied TriMet with buses and bus facilities for 10 years.

When money actually began to appear, the competition at TMAC became intense. Senator Hatfield insisted that we not ask him to settle our quarrels. He knew that transportation politics could be like quicksand and he had seen some political careers swallowed under. The fights happened at TMAC, so they didn’t have to happen at JPACT and would not happen in Congress. Most of the time it was sober and professional, but from time to time there would be an outbreak of agony and unbridled aggression.

Much can be said about a reliable environment at the same place, at the same time, with mostly the same people, and an open atmosphere with few rules. What has merged from the TMAC crucible has been trust, partnership and focus. TMAC is totally ad hoc. It’s a staff committee and, presumably, could disappear in a minute. The fact that it’s still around is because it helped create the trust, partnership and focus that is important for the transportation consensus that JPACT has been able to supply all these years.

One element of trust is that it has been off the record. Consensus is taken – there are no votes – and agreement is general. There’s no particular secret about TMAC. The activities are not generally reported and the press doesn’t come. It’s sometimes referred to as the work of a staff committee. It showed up in the press twice: once when Vic Rhodes and Bob Van Brocklin pulled off a caper in Washington, D.C. and got about \$50 million that we otherwise wouldn’t have; and once when I retired about 25 years later. Credible technical information has been a large element that contributes to a trustful environment at TMAC. TMAC has analyzed everything from opinion polling to project financing; it has been credible, reliable and informative; and superb technical work has come from Metro and TriMet staff.

But it’s also been due to one individual, a fellow named Steve Siegel, who some of you know. He has been a singular contribution (that TriMet offered to TMAC) who has done a lot of the analytical work for TMAC. His contribution has been gigantic, as have those from all the other jurisdictions who helped with TMAC’s analytical credibility.

Many of the partnerships that grew out of TMAC had to do with sharing risks and sharing resources. It was very common in the early years – particularly for TriMet or the city – to pay for a technical person from ODOT (or other folks outside of their own jurisdiction) to travel to Washington, D.C. to make the case for light rail.

Now, D.C. lobbyists don’t come cheaply and no one agency had the budget for hiring former representative Bob Duncan, but together we all did. For nearly ten years, the major agencies paid to support that effort. It later grew to jointly sponsor trips to D.C. for JPACT members and other efforts in which funds were shared, like public opinion surveys and legislative research.

Back in the early ’80s, the TMAC partnership took a small risk that had a huge payoff. Later, it was called the Escalation Rollback Amendment of 1982. The interstate withdrawal account of the National Highway Trust Fund had been growing at a double-digit rate in the national construction cost index, so the pot had become very high in the late 1970s – so high that Congress was alarmed and wanted to put an end to it. They put an end to it in 1982, but at that point the rates had fallen, canceling millions of dollars worth of funds that had been expected to come through that particular freeway withdrawal account.

The region’s solution was to ask Congress to roll back the time that they canceled it to its highest point, so that all of that money would be captured. It actually amounted to \$750 million nationwide, but \$51 million for the state – \$49 million of which would come right here to the region.

But how are you going to convince anybody to do it? The region found two Portland staffers: Vic Rhodes and Bob Van Brocklin who had the technical know-how and the persuasive ability. We sent them to Washington, D.C. and paid for them to live in a hotel

for two months. They went around in Bob Duncan and Senator Hatfield's wake trying to explain to people what this meant. It was a small risk. Everybody was out a few thousand dollars. The return was \$51 million and it worked.

When ODOT and TriMet determined that the construction of I-84 and the light rail line to Gresham would be done better as a joint project, they came upon the problem of highway and transit being funded differently. The highway portion would come over years in small drips and drabs according to the formula, but transit funding would be appropriated yearly in a specific large amount according to a budget and contracted schedule over the four years of construction.

To speed up the highway part, TMAC suggested that Congress legally declare the light rail transit construction and the I-84 construction a single project under federal law. That's how the Banfield transitway came into legal existence. It thereby qualified for discretionary appropriations for the highway side as well as for the transit side of the project. But when the full funding grant agreement came back from the federal government for TriMet to sign, it contained nothing for highways. To have the highway portion (which is about \$114 million of the total project) scuttled after all that political work was sort of like a body blow. This is, again, an instance of the federal government not paying a lot of the attention to what Congress says.

Local officials were particularly furious because the contract came only a couple of days before the groundbreaking ceremony, and that was the ceremony in which federal support was going to be announced for the Banfield. So, with two days left to go before groundbreaking, TriMet sent the contract back and said, "No deal." It's like Vic said, TriMet had made the deal with ODOT, and we weren't going to go back on it despite what the feds said. A deal is a deal. Until the \$114 million for the highway was amended into the contract, TriMet was not going to sign it. It was risky because it meant that we were potentially saying goodbye to \$200 million of transit funds. However, with rather gleeful pressure from Senator Hatfield's office, the feds finally and reluctantly approved – on the very day of the ceremony – a single contract for what amounted to a \$321 million project.

In an interesting twist about inadvertently being road lobbyists, a good portion of the transit grant – about \$29 million – was designated for the actual freeway itself. After all, the whole thing is a transitway. You write your own rules.

This story, and the desire of everyone to maximize the amount of discretionary money coming to the region, illustrates why a TriMet executive has presided over TMAC. TriMet is the one jurisdiction eligible to receive major, even massive, amounts of politically secured discretionary money on a regular basis. In spite of the occasional success of road earmarks (which are almost constantly under fire from the administration or some corner of Congress), transit, not roads, gets the bulk of politically secured capital construction earmarks, and they need everyone's agreement and everyone's help and advice on how to get it.

Since transit is an eligible recipient of nearly all other transportation money, such as the surface transportation funds, any gift money is very important for the overall funding picture that transit wins on the political front. And when it loses, there's this great sucking around sound.

TMAC helped provide focus over the years by providing the professional forum for sorting out the political strategies that it needed to adopt in order to pursue its priorities. In the early '80s, it was getting the Banfield going. In the late '80s, it was securing new funding authorities and passing a state gas tax. In the '90s, it was the Westside project and the thorny politics of the South-North adventure. In recent years, it has become the first forum for making the appropriations and authorization request lists that are submitted each year to the congressional delegation. How we did all that is still a bit of a puzzle, but what people brought (and are still bringing) to TMAC offers some clues. Here they are:

- excellent professional and technical ability;
- the willingness to share professional know-how and to bring others along;
- fidelity to the ideological organizing principle of land use;
- fierce loyalty to one's jurisdiction's aspirations, and acknowledgment of what it means to be staff and how that's different from being an elected official;
- the willingness and ability to deliver political support, as well as to demand it;
- the willingness to spend the time to think a problem through with the partners until a solution was found that everyone could support. That meant long hours after work, copious quantities of beer, lots of retsina at Dimitri's Mediterranean Grill, working lunches, dinners, and breakfasts with every manner of elected official, colleague, acolyte or cup bearer in the decision-making process.

The point about beer and retsina is less whimsical than it sounds because it has a lot to do with building trust. We would look at a problem and we'd often declare that it was a two-beer problem, or worse, that it would take a whole bottle of wine to get through it. Then we'd go out and drink the beer and get to understand each other better, get to be friends and learn to respect the pressure and the problems that we each face. A really tough problem would take two bottles of wine, and a massive issue would take a full dinner at Dimitri's to sort it through.

I have a file someplace and in it is a placemat from the Italian restaurant in which Andy Cotugno spilled chicken cacciatore sauce on top of the final funding plan for the Banfield project. I have a similar file with a napkin from a pub near Metro upon which John Rosenberger and Tom Vandersander wrote the funding plan for the South-North project.

Besides party venues, probably every jurisdiction has someplace where those under the gun retreat to sort it out and have some food and drink. For TMAC, Dimitri's became such a place for numerous meetings, including the strategy to get the 1989 gas tax – one of the last times that we ever got it passed. At that time nearly all of JPACT would show up at Dimitri's for several weeks in a row and hash through this issue. Ten years later,

more clandestine meetings led to the phone calls to Dick Reiten and to Tom Markgraf to give birth to the Interstate project.

I can't finish the TMAC story without telling you how fond I became of all those weird guys at TMAC over the years, and how much they all meant to me and how much meaning they gave to my life both professionally and personally. There may be more important or smarter individual transportation professionals around someplace, but the TMAC-ers are the greatest group of transportation professionals on the planet. Some of them are here: Andy Cotugno, Richard Brandman, Olivia Clark, Tom Markgraf, David Knowles, Neil McFarlane and Ann Becklund, and they've been involved in TMAC for years. They're the top team.

It may not be true anymore, but at one time I was told that TMAC was unique in the nation as an intergovernmental group of transportation officials who got together to plan how to get more money for their region and how to get it out of the United States Congress. I learned a great deal from TMAC. Not just how to push through important projects or how to wrangle some money, but how to relate to people; what it means to respect someone else's problems and ideas; how important technical information is; and how genuine our community aspirations are. The task is really quite difficult sometimes. There often would be a wave of terror that would come over us from time to time like a recurrent sickness. The job was sometimes huge and the risks terrifying.

Over the years, we learned a lot together. We learned to share risks. If we were going to share money, then we learned how to share a lot of money: over a half a billion dollars of withdrawal funds and as much in surface transportation funds. By the way, the surface transportation project was modeled after our history in deciding how to use the withdrawal funds. The GAO (Government Accountability Office) and the House Public Works Committee came here to find out how we did it and then went back and wrote the surface transportation program for the Intergovernmental Surface Transportation Proficiency Act. We probably found another billion dollars or more that wouldn't have been there if our strategy hadn't kept us together. Best of all, we learned how to spend this money responsibly, and we built hundreds of road projects and the rail lines into three counties.

At the outset of this adventure in about 1979, the head planner at the city told me, "There is no way you're going to spend all that money. You will never get agreement on what to do before the authority to spend this money collapses." Well, we've proved him wrong.

Thanks.

David Knowles: Dick, thanks very much. That was terrific insight into how things have really happened behind the scenes. I just wanted you to clarify a couple of things. How is it exactly that you were able to get the governor of the state to say to the senior senator from Oregon, "Don't do anything until everybody in the Metro region agrees?" How essential was that? That senior senator is now no longer in the Senate – is that arrangement still in effect?

Richard Feeney: The arrangement is still in effect. Could it ever be instituted again for some other purpose? I don't know, but it's been tested. What it really comes down to is this: I'm a U.S. Senator and I'm not going to have that fight to figure out what you want. You're going to figure it out or you're not getting any money, flat out, period. Get lost or you're going to try to do something different.

David Knowles: Anybody have any questions?

Voice in Audience: We have a new administration on the horizon and a new transportation bill. We also have a government with a huge deficit. What do you think our prospects are in the next four years?

Richard Feeney: Well, they're probably a lot better than they were 27 years ago when we had double-digit inflation and an administration that didn't want to spend any money on transportation at all. There was no support like we have now for the kind of "brave new world" of environmentally sensitive and balanced transportation projects and multimodal projects.

I don't really know. You'll have to ask Olivia and Andy about what's really cooking. I know that if you're not together and if you're not strong together, you will not have a very good chance. You have got to stay together.

David Knowles: So let me ask you the same question I asked Andy. What's in it for Beaverton, Gresham, Hillsboro and Wilsonville, all who have different kinds of priorities and different kinds of needs, and are maybe more interested in roads than transit? What has been in it for them over the last 20 years to hang together in a decision-making process that created a unified voice in Washington D.C.?

Richard Feeney: Because over time they've gotten their projects. They've gotten their most important project. Commitments have been established with all of the partners in the region that they will get their most important project sooner or later. Probably a good example is that Clackamas County kept getting promised projects and then something would move in front of it because of another principle or prerogative or mandate, and they were getting very restless, but they –

David Knowles: Like the Clackadome. Remember the Clackadome?

Richard Feeney: They were going to build a sports dome out on I-205 and Sunnyside Road, and there were a lot of promises made to Clackamas County. Clackamas County kept hanging in there, although it didn't look like their promises were going to come through, and look what's happening now. We're talking about three rail lines to Clackamas County and we're building one right now. Things are looking pretty good for Clackamas County. They stayed in there and they were faithful to the region.

What does that faith mean? What kind of discipline did that take? I can remember one of JPACT's annual trips when the region came together to present their priorities in Washington, D.C. The Washington County representative Tom Brian had to leave and could not go to Senator Wyden's office to say something on behalf of the Westside commuter project, so Bill Kennemer from Clackamas County did. Bill Kennemer put that particular project in the place that JPACT had it in its list of priorities. He didn't say, "By the way, I've got a project I want to talk about first." He said, "These are the projects from JPACT." And it's that kind of discipline and that kind of loyalty to the deal that we've made – that we're going to work together – that has the ultimate payoff. That's how you get your project.

SUCCESS FACTOR TWO: Alliances That Work (Continued)

David Knowles: Welcome back. You have heard what's worked up until now. I think it's important to think about the next 30 years. As you assume the leadership, what would you be doing and what are the things that you want to know?

Now, Richard is going to talk about the FTA (Federal Transit Administration). The FTA is a difficult partner to deal with, but they're very, very important. One of the things this region has been very good at doing is figuring out how to create and maintain a relationship with them and be successful in continuing to get money. I think it's a true statement that we have basically never been out of the federal funding queue since the original MAX line opened. That's because folks like Richard have been able to create personal relationships, as well as institutional relationships, that really matter. Richard is going to talk about what he has learned and how those relationships have been important.

Richard's official title is deputy director of planning for metro, but his real title is director of planning for light rail programs and streetcars in the region. That is effectively what he does and he has been doing at Metro since 1979. So he's been there as long as we've been working on light rail in the region. With that, I introduce Richard Brandman.

Working with the FTA to Accomplish Your Mission, Richard Brandman, Metro Deputy Planning Director

Biography: The Deputy Planning Director for Metro, Richard is responsible for directing all planning and environmental work for Portland's light rail and streetcar system through the Federal Transit Administration's (FTA) New Starts ratings process. During his 28-year career, Richard has provided direction for every project since the Westside Light Rail project entered project development in 1989. Richard also develops revenue strategies to increase regional transportation funding levels through legislative action or regional ballot measures. He played a major role in creating a strong Metropolitan Planning Organization that has been recognized throughout the country for its ability to forge a consensus on major transportation initiatives and coordinate transportation and land-use policies.

Richard Brandman: Thanks, David. It is a pleasure to be here.

(This presentation was accompanied by a PowerPoint display)

"Making the case to the FTA" would be good summation of what we've been trying to do in this region for the last 25 to 30 years. Why is that? Because they have the money and we want their money. We want their money to come to Portland to help us build our rail program. One of the things that all these projects really need in the planning process is to try to ensure that we go through the federal process, as well as meet the local needs. Our ultimate result is to try and achieve as much as 75 percent in federal funds. This is quite a challenge. The rules basically allow you to get 80 percent, but in practice, it is hard to even get 50 percent.

This is a little bit of context. When I started doing this back in the late '70s/early '80s, we weren't thinking a whole lot about light rail. We were thinking about it a little bit. There was a lot of congestion in the region. As Andy mentioned, we had this plan that had freeways all over the place. Andy talked about the governor's process that resulted in basically throwing out the previous road plan that had over 290 new miles of roadways. In the early rail planning, we came up with a system that looked like this (*referring to PowerPoint image*), which is a little bit like the system that we're still implementing today – although today's system is more robust than what we had envisioned in the late '70s/early '80s.

It's been mentioned that we had a freeway withdrawal that created a big pot of money, and Mr. Feeny and others talked about how we shifted a lot of that money. Of the \$500 million we shifted, over \$100 million went to the Eastside light rail. Here's some of the context that we were dealing with in the early '80s: light rail was not an accepted transportation mode in Portland. It was a very controversial mode. During the gubernatorial campaign between Secretary of State Norma Paulus and then-to-be-Governor Goldschmidt, Paulus basically said the best thing that could happen would be to leave the keys in it and hope someone steals it. It was also referred to as Whoops on Wheels.

When the Eastside opened, things started to change. Prior to the Eastside opening, the TriMet board said, "We're not going to do any more light rail until we know how the Eastside does." What followed was the Westside light rail project, and that was the first project where I really got engaged with the FTA. Again, this was in the early days of the Reagan years and the Reagan goal was to stop projects. Well, how did they do that? They created all kinds of rules and guidance (and in this case, it was actually a proclamation that they were not going to do rail projects) that made it almost impossible at that time to get a rail project going.

The process is hard. It's a moving target. I think that's been a hallmark of our relationship with the FTA. It's not just Portland's experience, but the whole industry's. Over the last 20 years, we've been trying to hit a moving target with their process because the rules can change at any time – and they do.

Back in the early '80s, the FTA created something called a cost effective index, a CEI. The theory behind it is actually pretty good: "We've got a little bit of money to hand out at the federal level and we want to make sure that only the best projects get funded." But to do that, they created a metric called "new riders." How many new riders would be on any light rail line that anybody wants to build?

That sets up a kind of game that you play with the FTA to demonstrate how many new riders you'll have. At that time, the more new riders you had the better. Cost factors in, and it turns into an equation. You figure out new riders, though, not based on how many new riders you have versus today's numbers, but how many new riders would you have in the year 2020 versus a bus system that you might have built by the year 2020 (or not even built, but put together).

In my mind and in the minds of others in Portland, that created a rather unfair dynamic, which was that you don't build these projects just for new riders. You build them for all riders. All riders on light rail trains benefit, not just those that were on a bus before. The light rail is faster. It's more reliable. You're going to show up on time. You've got a dedicated right of way. So all riders on the system are getting the benefit whether they're new riders or not. When you're trying to define the benefits of a project (and, you know, these projects are expensive), it's important that you're not underselling and underestimating what the benefits of your projects are.

One of the arguments that I've been making to the FTA all these years is, "Well, it's like on a highway. When you add a new lane to a highway, you're not building it for the new autos. You're building it because you're trying to get that facility to work a little better for all the users of that facility."

It's a 20-year ongoing debate. I think it put federal transit at a disadvantage with respect to their sister agency, the Federal Highway Administration, because the Federal Highway Administration plays up the benefits of their projects by not talking about new autos. They talk about what this new project is going to do for the users of the facility.

So how do you show lots of new riders? Well, that's another area where we have to dance with the FTA. It's difficult because the Federal Transit Administration actually, in some respects, controls the models. The easiest way to get lots of new riders is to design a bad bus system. So for the year 2020, you can say, "Let's have a crummy bus system versus a really good light rail system." Then you got lots of new riders.

Well, the FTA is on to that, and they won't let you do it. They really monitor what they call a baseline so that you can't do it. What the FTA wants you to do is to develop a bus system that almost looks like and feels like and acts like a rail system. Guess what? When you do that, you don't get a whole lot of new riders, which makes their projects not look very cost effective.

So I've argued with them for quite some time, and I use the term "argue" in the loosest sense. They're friendly arguments. They're arguments that are designed to be persuasive. I go back to earlier comments. They're arguments with people who I've built relationships with, so there's trust and you can actually have a conversation rather than an argument. It basically became like a chess game: who can outsmart who; how do you show lots of new riders; and how do you get the FTA to agree that your project is worthy?

At times, we felt like advancing rail projects was like death by a thousand paper cuts. They never say no until you get to the end, but it becomes very difficult along the way. But you don't give up. One of the guiding principles that I've had in my mind over all these years is, "Wow, this is too important to give up on." In the face of repeated and constant doubting on the federal side (and I wouldn't say that's true for all federal

officials or all federal employees – things ebb and flow with different administrations), part of the guiding principle has been that you can't give up if you believe in what you're doing and you're doing the right thing.

Their anti-rail policies are often cloaked in technical purity. So what we have tried to do is play by the FTA rulebook. Obviously, you have to do that to pass their test at the end of the day. You have to understand that whatever you do, it's going to be under intense scrutiny. It's the same thing that's happening right now. It's happening on the Columbia Crossing project. It's happening on the Eastside streetcar project. It's happening on the Milwaukie light rail project.

There's constant give and take on all of the assumptions that we have for our modeling and all the assumptions we have for finance plans. Basically, every assumption we're making is checked by the FTA along the way. There are things that we try and do that they never know about. Sometimes that works. Sometimes it doesn't. Basically you better play it pretty straight, but push the envelope as far as you can.

The Westside light rail was the first project that I worked on that really ran into a buzz saw. The FTA stalled it for more than a year. They wouldn't accept Hillsboro without a fight. While we were doing the environmental impact statement, they even were arguing with us about the punctuation – like where the commas were in the document – as ways to hold up the environmental impact statement.

So, what did we do? Well, we got some congressional help along the way. Les AuCoin declared that the project was going to Hillsboro. Senator Hatfield, I think, enforced the endorsement with the FTA administrator. I was offered to play tennis with the chairman of the House Appropriations Committee, who came to Portland to get his own personal take on the project and decide whether the Congress would help fund it. Earl Blumenauer sent me over to the MAC Club at the request of Congressman AuCoin who told me, "Take a dive, kid." I was in my 30s at the time and Congressman Layman was in his 70s, so the challenge was even greater than you might imagine.

In the end, I think what you do is you have quality work. You don't give up. Following the actual publication of the EIS (environmental impact statement) and the project being funded, the FTA started to use our EIS as a model for other EISs around the nation.

Another interesting story was when we were showing a congressman the Westside light rail alignment, which would be built along the old BN (Burlington Northern) railroad tracks. I was with Dick Feeny and others on an ODOT vehicle that we used to show the official the alignment, and we came upon deer in the middle of the railroad tracks. Congressman Layman was from Miami and lived in Washington, D.C., so he's used to pretty dense urban environments. We were trying to fund one of the first light rail lines in the nation. We were talking about how we were going to have all this development, how it was really going to be great and there were going to be a lot of riders, and we were showing him the woods and some deer. So you don't even give up when that happens.

After we got through the Westside, we moved on to South-North. That's a project that had a lot of fits and starts. When it started, it was a 21-mile project from Clackamas Town Center to Vancouver with 68,000 riders a day that had a \$2.8 billion total bill (which was really a lot of money at that time and is still a lot of money today). It was a bi-state project, and even the FTA loved it. In the end, the FTA was going to fund it. They were ready to sign on for half. The project cost \$1.4 billion.

We had a series of unfortunate events and ups and downs. I won't go through all the details but there were some elections that passed, some elections that failed, and finally in '98 – when it was down to building the local Oregon project (that's the vote that's already been referred to) – we lost by a hair. I was one of the ones with Tom Markgraf in the ashes for about three months wallowing in the defeat of that vote. But, again, we didn't stop.

Lessons learned from South-North:

- Certainly keep the money once you have it. We didn't follow that one very well. It wasn't our fault, but you never want to give money back once it's been voted on.
- Take the neighborhood concerns seriously. Tom Markgraf, Ann Becklund and others have talked a lot about the community and how important it is for the community to be with you. That first incarnation of South-North (as well as its subsequent incarnations) had lots of neighborhood and community issues. I think the ones that we were facing in Milwaukie really were eye opening for us in terms of how you have to work with the locals – not only just local government partners, but also the local communities.
- Don't give up. As you've already heard, when South-North blew up, we didn't just pack our bags and go home. We started planning.
- One of our other lessons was smaller is better. Instead of trying to do the big jumbo projects, we started doing projects in bite-sized pieces with the airport, Portland streetcar, Interstate and now the I-205 project. There are some big upsides to making it smaller. This chart (*referring to PowerPoint*) shows the FTA rating for the old South-North project and the ratings for different categories for the Interstate project. Because Interstate was a much smaller project and an easier project to put together financially, we basically got high ratings for all the disciplines from the FTA.

One of the mantras that we have is, “Keep thinking, be creative, try and outthink the FTA.” If they're going to say no, how do you get them to yes? How do you get them to where you want to be, not where they want to be? For Interstate, which was the project that evolved out of the South-North project, one of our challenges was, “Well, how are we going to fund that?” We had enough money put together to fund about 26 percent of the project cost, not 50 percent of the project cost, which is what the FTA was looking for. One of the transit leaders came up with the notion, “Well, let's use the airport project, which was locally funded, as the so-called moral match for the Interstate project.”

This meant we would throw those two projects together and then use the local money for one to count as local match on the other. We didn't know if it would work, but I remember riding the subway in Washington, D.C. with Neil and Dick as we were on our way to the FTA to pitch this and I said, "Let's throw in the streetcar too." They said, "You're crazy. They are never going to buy that." Well, they did, and we actually ended up with about a 50/50 project.

So, for all of you out there that are going to be trying to do these things down the road, how do you get over all these obstacles that are going to come your way? How do you get over a bad rating on cost effectiveness? How do you get over not having enough local money? Well, change the rules, so that what you can accomplish will meet some federal guidelines.

In the early '90s, we tried to set the land use table for the FTA. In this region, that's the hallmark. I think it's fair to say that, in the beginning, the FTA didn't even understand what we were talking about and I don't blame them. I barely understood it myself. What we tried to do was boil it down for them, "It's very simple: rail stations attract development. The more development you have around stations, the more riders you're going to have."

We have asserted over the years, "That ought to count." They've asserted, "Yeah, but it really can't count because of the way we make you do your analysis." That's been another of our other conversations and friendly debates for over 10 years, and it's still ongoing today.

With the Washington County Commuter Rail example, the staff was very biased against that project. They felt like a project that doesn't end in a downtown shouldn't be funded by the FTA. It's not worthy. This commuter rail project goes from Wilsonville to Beaverton following railroad tracks mostly adjacent to Highway 217 in Washington County.

They actually dove into our model. They wanted to know how many two-car households with two left-handed drivers made double transfers between the Tigard station and the Washington Square station. That's how far down they went. They pushed that cost-effectiveness analysis over the line by unilaterally taking trips out of our model and then they said, "We're not going to fund that project because you're not cost effective." We didn't give up on that one either. It took years of perseverance, and years of trying different tricks. In this instance, I think the final trick that worked was congressional pressure to get the FTA to acquiesce.

After 15 years of harping on them that their cost effectiveness index didn't make sense, we actually got them to change their rules. They came up with a new rule called Transit System User Benefit. Now, travel time savings became the key. It wasn't how many new riders you have, because they finally bought the argument that the projects are for all riders. Instead, the notion became, "Well, how much faster is the project that you want to build compared to the project that you're not going to build?"

It sounded better at the time but as we learned quickly, it's really not very much better. That new metric favors large sprawling regions with long trips. Why is that? Well, if you're in – I'll pick on Denver – and you've got 25-mile trips that are the routine, and congested freeways that are the routine, then your transit trip on its own guideway can be much faster than a bus stuck in traffic on the freeway. When you're Portland, you don't have 25-mile long trips because you have an urban growth boundary and more compact development. You've got shorter trips. You still have some crowded freeways, but those crowded freeways aren't as lengthy as they are in other places.

So their measure actually favors sprawl, and that's another conversation we've been having with them for about 10 years. "You need to have something better than this. All you're doing now is rewarding those projects in places that have lots of sprawl and lots of freeway congestion because of bad land use planning."

A couple years ago, we thought Congress was going to save the day, at least for streetcar projects, because the last transportation bill just created a new program called Small Starts. Small Starts is a program that can fund streetcars, and it was actually created by Congressmen Blumenauer. Congress recognized that travel time savings isn't the only benefit. They made sure that land use and economic development are actually in the statute, and that those two things are going to count when the FTA tries to determine how is a project going to be rated. So, great (we thought), streetcars are going to get funded.

But the FTA basically said, "Thank you, Congress. We have to take that law, turn it into rules, and turn it into guidance." And guess what? When they were all done, travel time savings was the only thing that counted. If you're trying to build a streetcar on a city street, you're going to have a hard time asserting that it's much faster than a bus that would be on that same city street. Their new cost-effectiveness measure is a pass/fail, and if you can't get past their threshold for what they would deem to be cost effective, then you don't get to build your project. So that's the conversation we're still having with the FTA on the Eastside streetcar project in Portland, which would be the first federally funded streetcar in this region. The existing streetcar was pretty much funded all with local funds.

We've been trying to show them why development does matter. We keep making the argument that the more development you have closer to the rail line – whether it's light rail or streetcar – the more riders you're going to have, and that's your mission. Your mission is to get people on transit. Your mission is to get people on the fastest transit mode possible, but getting people out of their cars and onto transit or walking or biking is equally good.

We've been showing them data. Part of the data is that the closer you are to the streetcar, the more development you have. Within one block of a streetcar, developers are developing at 90 percent of their allowable rate, basically. Prior to the streetcar, it was about 30 percent.

Where is the development occurring in downtown Portland in the last few years? Almost 50 percent of the CBD (Central Business District) development is in the West End and in the Pearl and along the streetcar. We're not asserting that that's all happening because of the streetcar, but there's a very strong correlation. When you get all those people living in the downtown next to a rail line, what does that mean? People have choices about where they live, and they're not living out in suburban jurisdictions. We're not saying that's a bad thing to live in the suburbs, but what we are saying is that when you live in the city instead of living in the suburbs, you're going to drive less and you're going to take transit more. We tell the FTA that should be part of their mission and that they should be encouraging that, not discouraging it through these weird metrics.

Just to show you what's happened between '97 and 2005, there's been almost \$3 billion of investments within three blocks of the streetcar, including over 7,000 residential housing units built, and more than 4.5 million square feet of commercial space built. This (*referring to PowerPoint*) is showing the streetcar ridership, which started at about 4,000 trips a day is almost 9,000 trips a day today.

So the FTA interpretations of the congressional laws have actually hurt the streetcar projects. There's now a national backlash against that. Congressman DeFazio is actually holding hearings, and the Congress is now pressuring the FTA to change their rules. We'll see what happens.

One of the things we found is that time is money. Neil knows that all too well. So does the Portland Streetcar. Every time you are delayed (in this case, even a month) the financial stakes can get fairly high when you're talking about very expensive projects with large inflation rates. The FTA took over two years to approve final design for the Washington County Commuter Rail, and caused more than four years of total delay. The I-205 project, which they actually liked and scored it well, was still delayed for more than a year. All that has a big cost associated with it.

Again, you come back to, "What do you do?" Well, in my mind, what you do is you persevere. You got to work closely and cordially with the FTA. I've had a lot of discussions with the FTA and we get along really well. Even with our disagreements about how the rules ought to be written, at least they'll listen to you when there's some level of trust. You can't antagonize them and have an adversarial relationship when you're trying to change the rules from the inside. I think you don't take no for an answer. When you feel like you're right, you keep going. Make your own rules. Don't give up.

Reasons for hope: we'll have built over 60 miles of rail transit in this region between '83 and 2009. I think some top officials at the FTA are coming around to our point of view. We have a lot of friendly colleagues within the top levels of the FTA. We continue to have an excellent working relationship with them.

I'll just conclude by saying, "So why are we doing all this?" In the parts of the region where we've got poor transit and no mixed use, we've got 87 percent auto use. In parts of the region – and this is not downtown – where you've got good transit and good mixed

use, the auto use decreases to 57 percent and transit goes up to 12 percent. There are lots of trips per resident on the TriMet system as a result of the integration of our transit and land use. The point here is that transit is growing much faster than the population growth or VMT (vehicle miles traveled) growth.

This is our current system (*referring to slide*). Hopefully, it's all going to be done in the next few years. I think the challenge to all of you is: what's next?

Thanks very much.

David Knowles: Richard, thank you.

Questions for Richard?

Voice in Audience: You said, "What can we do but continue to work with the FTA?" I know other states and cities have implemented things like sales tax or found other resources so that they don't have to work with the FTA. How often, nationally, are things locally funded just because they cannot continue to work with the FTA?

Richard Brandman: There are actually a lot of regions right now that are going after significant increases, primarily in sales tax, to fund their transit programs. It's happening in Phoenix, Denver, San Diego, Salt Lake, Miami, and I could go on and on. Even with their tremendous revenue-raising ability with sales tax and a lot of ballot measures (when you stick on a half a cent to a sales tax in some of these places, it raises \$10 billion to \$12 billion, so it gives them a lot of money), most of them are still choosing to go through a federal process. They're stretching their dollars by leveraging their local money against the federal money. Salt Lake just did something very unique though. They've got three or four projects going at once. They're localizing all of them except one, and they're using the local money from the projects they're doing on their own to match the one federal project. The FTA has actually agreed to that. It works better for everybody in that instance because the FTA only has to keep track of one project, and the local governments only have to deal with the FTA on one project, so it's kind of a win/win.

David Knowles: Other questions?

Olivia Clark: Richard, I want to know how you're going to get a moral match in the next project.

David Knowles: You might want to explain what a "moral" match is.

Richard Brandman: I think our definition of "moral match" is anything that works. Olivia, I think the answer is that we're going to bring you with us the next time we go back to Washington, D.C. We'll keep trying whatever we can to make sure that our projects are seen in a favorable light. I can see private development as being part of the next conversation we have. How much private development are we attracting to these projects? How much private dollars are actually going in to these projects?

I'm not being partisan here, but the Republican administration likes to see private investment in projects, and you can certainly make that case on the Portland Streetcar. Not only are there local improvement districts where businesses are taxing themselves, there's actually a renewal district where the governments are creating a resource based on growth in the private sector. So we're doing things like that. I'm sure at TMAC we'll have many more discussions about what's next.

Ann Becklund: I've got a question about the relationships within the FTA itself and how you deal with those. We deal with closely with Region 10 in Seattle. Then every new administration brings in top leadership to the Washington, D.C. office. Then there are the lifers – the staffers – who have been there for 30 years. They all have a different set of interactions. Does that change per administration? How do you shift and know how to work with that system?

Richard Brandman: Well, there's always the new administrator in Washington, D.C. with every administration, and sometimes there are several during an administration. I think the goal, again, goes back to personal relationships. You go back (*to D.C.*). You visit. You pitch your projects. You try to ensure that they're aware of what you're doing; why this region is different. A lot of them come in fairly cold to transit because they haven't been in the transit world, but they've kind of heard of Portland. Everybody in the U.S. seems to know there's something different going on in Portland. So we go back and pitch the Portland story, and that usually has some helpful effect – not always, but sometimes. In Seattle, it's career staff and they usually stay through changing administrations. The career staff in D.C. is fairly constant, so we've known a lot of them for a very long time.

Ann Becklund: Are they often resistant to funding rail regardless of the administration?

Richard Brandman: There are some at the FTA that have a very critical eye on any rail project, and some of those people are in important positions where they have the ability to stop your project. There are others that are very supportive of rail projects within the administration as well, though. I think anybody that goes to work for the Federal Transit Administration, almost by definition, wants to do something for transit. So in their minds, even the ones that are critical of rail, they are supporters of transit. I think to be fair to them, they're trying to follow their own core beliefs. It alludes to the Seattle question earlier, "Well, isn't there a cheaper way to do this?" which I don't agree with.

Voice in audience: What would it take to discourage or dissuade the FTA and others from using travel time as a measure of value? I mean, it's not a new idea. I first became aware of it 50 years ago. Empirically, it's never really been proven to be an accurate measure of much of anything. Portland's experience with rail has suggested that it's a very inaccurate measurement of value. What will it take to turn that around?

Richard Brandman: I think what it's going to take in this timeframe is a new administration because the core staff that created this rule aren't going away anywhere fast, and they're going to need somebody at the top to tell them that this isn't the right

metric. We've been telling them and they assert that, not only is it the right metric, but it accounts for all the other issues that we talk to them about. They assert the travel time savings accounts for development opportunities and the actual development that occurs. They don't believe, for example, that the development around the streetcar had much to do with the streetcar. They think that that's just a coincidence and they say, "Isn't that interesting, but you haven't made your case."

So it's a challenge. I think, in the end, they will change their minds. I predict that because the evidence is too compelling – and I think some of those people that have that belief will be here another year or two – hopefully, for a lot of you dealing with them in your careers, there will be a new, more enlightened staff.

David Knowles: Thank you.

SUCCESS FACTOR TWO: Alliances That Work (Continued)

David Knowles: The next panel is a peek behind the curtain of project funding. Closing a deal takes a lot of political and financial finesse. Influencing the folks that make those deals in the legislative arena is a really important talent and a really important part of making these projects work. Interstate MAX and Washington County Commuter Rail provide some examples, as do our successes in the state legislature, with getting funding for the regional rail system.

Olivia Clark is going to be our initial and primary presenter. Olivia is the director of governmental affairs for TriMet. She followed Dick Feeney. She is responsible now for managing all of their intergovernmental relationships. Most importantly, Olivia was really the key in getting the payroll tax authorization for TriMet increased in a Republican legislature and in securing funding for Milwaukie light rail in the last legislature. She's going to tell you about those successes and how they happened.

David Knowles: I think we also are going to be joined by Rick Gustafson...When Rick gets here, we'll have him join you following your presentation.

Olivia Clark: Okay.

David Knowles: Thanks.

Project Funding: A Peek behind the Curtain, Olivia Clark, TriMet's Executive Director of Government Affairs

Biography: In her position as executive director of governmental affairs for TriMet, Olivia is the agency's liaison with the Oregon State Legislature and the U.S. Congress. She is responsible for managing on-going intergovernmental relations for long-range funding, policy development and implementation with local, regional, state and federal legislative and administrative officials. Olivia was instrumental in obtaining federal New Starts funds for the Washington County Commuter Rail, Interstate MAX, and the I-205/Portland Mall MAX lines. She also worked to acquire \$250 million in state lottery funds for the Portland to Milwaukie Light Rail line. Before coming to the TriMet, Olivia was Governor John Kitzhaber's legislative and intergovernmental relations director. Olivia holds a master's degree in Sociology from the University of Oregon.

Olivia Clark: This has been very educational for me today because I'm one of the newest members of the transportation mafia (*referring to former Mayor Vera Katz' comment that called regional leaders of the transit program the "transit mafia"*). I've really only been doing this for five years and I came into it not knowing anything about the 2040 plan or light rail or anything like that.

It's very intimidating to be here today with all the people who have come before me. You realize that you're really standing on their shoulders. Richard, there isn't anybody in the United States who knows more about the FTA process than you. Neil McFarlane, who

built these things, is miraculous. Andy Cotugno, who is like the Yoda, the Godfather, of the 2040 plan who I really look up to. And of course, Dick Feeney. I want to make a couple of observations about what Dick said, and I'll tell you a little story about the payroll tax. Then, because I talked to a few of the students in here, I'll talk about what I see as some of the challenges on the horizon. It is very intimidating to be with all the people who built all this stuff, all the people in the room who are building it right now, and all of you people who will build it in future.

Dick talked about TMAC, which is really a strange phenomenon. I don't know if it exists anywhere else in the United States, but I call an arranged marriage. Can you imagine, every Friday morning you have to get up and meet these people? After a while you begin to really respect them, and you do begin to trust them. An amazing thing happens. Eventually, you even grow to be affectionate with them and like these people. It's amazing, and part of our success is that we all work together.

That's really the second thing I wanted to say about Dick's observations: there's nothing like partnership. When I moved to Oregon 30 years ago, I stayed because I thought, wow, one person can really make a difference here. What I've come to find out is that you can make a difference, but you can't do it alone. That's what TMAC is all about: people working together. There's no way we could have accomplished these things without everybody having a part. Let me tell you something my drama teacher used to say to me. "There is no small part." You are some regional city around here and it's your turn to testify on something or your turn to do something, and if you screw it up, you screw it up for everybody. There is no small part. Everybody is important in this process.

The third thing he said that I want to emphasize is that you don't just bend the rules. You break the rules. You confront all kinds of bizarre situations that you had no idea about. Richard just outlined a whole bunch of them at the FTA. You have to rewrite the rules. If your relationships don't pan out, which sometimes they don't, then you go in and you change their rules. There are lots of ways to skin a cat.

That's what I want to say, and I want to give you a little example about bending the rules – or maybe bending conventional wisdom – and that's really the payroll tax story. When I first came to TriMet five years ago, I was given a mission impossible and I really didn't realize it. I thought, "This is going to be great. I'm going to work in the region on all these really great projects and with all these great people." But the first thing I had to do was not go to TMAC, I had to go to Salem. In Salem I had to confront a Republican-controlled anti-tax legislature in order to get an authorization for TriMet to increase the payroll tax in the region. That was really crazy making. As it turns out, it was the longest legislative session in history, which was very trying. It took the whole session and the last four hours to get the thing.

I want to tell you how we got it, that mission impossible, and how we changed the rules. We didn't even have a champion going in. We didn't have anybody who would say, "Yes, TriMet, I'm going to carry the banner for you and we're going to get this payroll tax passed." We have a large legislative delegation in the region and they are all over the

place politically; well, they were more so then. We didn't have anybody, though, in any committee or any place who could actually carry the ball on this thing, and that really defied conventional wisdom. So how did we do it? How do we turn it around?

First of all, the region has tremendous credibility. It was the People's Republic coming to the Republican legislature to get a tax increase. *Right*. But we did have a lot of credibility, and right around that time TriMet had done a productivity improvement project. They scoured all the cupboards and looked for money. They couldn't find any money, but we really had looked internally to see if we had resources to build the projects that we wanted to build. We didn't, so we had to ask the legislature for help, but we looked internally first.

We also had projects that the payroll tax increase would pay for that people actually wanted. The people from Clackamas really wanted the I-205/Clackamas light rail. People wanted the Washington County Commuter Rail. They wanted additional projects in the future. So we had something really positive to sell. We were credible. We had scoured the cupboards. We had great projects. We could almost guarantee that if we got the authority and passed the payroll tax increase locally that we could bring home huge amounts of federal money, which the region had done very successfully. So we had that. With that money combined with our money, we would produce lots and lots of jobs, which was a big selling point. As Richard Brandman pointed out in his slide show, we would build projects that would create incentives for development. It would be very exciting, and everybody gets behind something exciting.

Through the process, we had enough on our side and enough arguments for every legislator to line them up to vote the right way. Without going into the gory details, in the last four hours of legislative session we actually got the payroll tax increase authority passed. It was a miracle.

We always had to be flexible, always had to be nimble, and always had to adapt to what people wanted. We had to package it with a tax cut for certain businesses, which was very difficult for me to swallow personally, because I'd written the veto letters for those tax increase proposals in the last couple of sessions. But I had a new job.

It was a kamikaze mission and we got it passed. That was really great and it enabled us to raise the operating dollars for the I-205 light rail, the commuter rail and now Milwaukie. Who knows what's next?

I asked a few people in the room what they really wanted to hear, and some people really wanted to hear about the challenges that confront us on the horizon. Why is it such a great time to be in the transportation field? It is a really great time despite the challenges. There are so many opportunities right now:

- The energy crisis. That's good for us, right?
- Fuel costs/fuel availability. Let's use that to our advantage.
- Global warming.
- The aging demographic. By the year 2025, the retired elderly population in

- this region is going to be three times what it is now. To me that says transit.
- Population growth. We're going to accept a million more people into this region. I think Andy probably talked about that this morning. Where are we going to put them? Is there somebody here from Tigard? I think I read in the paper that you want to become the suburban Pearl. That's fabulous. We're going to need you. We're going to need to retrofit the suburbs. That's going to be very exciting, and we're involved in that now.
 - Finance. Where is the money going to come from? We're not sure right now, but we'll figure that out.

What's on the horizon with all of these trends coming at us: global warming, no fuel, aging population? There are two things coming our way. We're going to have an opportunity to influence public policy with the reauthorization of the Surface Transportation Act, which is right around corner. The chairman of that committee, Congressman Oberstar, loves us and he thinks we're the template for America. He said that. It was in the paper. We're going to use that and use these trends to see if we can't make everything you've heard today the template for America. I think that's really exciting. It's a good time to be in transportation. The second thing coming at us is that Governor Kulongoski has now said that transportation is one of his three top priorities. That's really exciting. We're going to maximize that for our region.

Anyway, I can't think of any other challenges right now and Rick is here. Thank you.

David Knowles: Thank you, Olivia. That was terrific. We're very pleased to be joined by Rick Gustafson to give another perspective of where you find the money and how. Rick has a long list of credentials. He is the present principal with the firm of Shiels Oblatz Johnsen, which is a project management firm here in Portland. He is also president of Portland Streetcar, Inc. Shiels Oblatz Johnsen is a contract employee of the Portland Streetcar, so that firm manages the construction and operations through Rick. Rick is a former state legislator. He is also the first elected executive of Metro and the person who convinced me to run for the Metro Council in 1986.

He has spent a lot of time in what is really just a mission of the heart, being a streetcar advocate visiting cities all over the country. Next week he's going to – this is not exactly in the country – Dubai to provide some advice on how to build streetcars there.

So, Rick, welcome.

Rick Gustafson: Thank you. Well, I really appreciate the opportunity to talk about building future transportation leadership. I'll divide my conversation into at least two parts. One is sharing a fun story about trying to fund the Banfield light rail project, which gives you some insights about some of the issues we faced a long time ago. Hopefully you'll find, amazingly, the issues aren't much different than they are today. The other part is a set of principles that I operate under and have for a long time, ever since I worked for General Motors Corporation in 1969. I can share those rules with you and then we might review those afterwards.

The first rule I have as a guiding principle for transportation is that whatever the rule is, don't accept it. That's a very important principle to work under because, for some reason, transportation seems to be an area where we have the enormous capacity to develop a set of rules (whether it's the Highway Users Federation publication on the rules of how to use a roadway that would absolutely prohibit the use of any traffic calming devices in a city, or the federal rules that prohibit funding rail projects in the United States – which has been an unwritten rule for 30 years, I think). The second rule, of course, is that the federal government has consistently spent 20 percent more money than it takes in. So somebody gets it, and they like to spend it. It's not a partisan issue at all with regard to the federal government's propensity to be willing to spend more money than it takes in. All you have to do is be effectively organized in order to capture it. If you were to say anything about this region – and this is the third rule – the local agreement in this community gets you 90 percent toward the ability to convince the feds to fund you. Holding the local agreement together and maintaining this enormous base of support for all of the initiatives we've conducted from the mid-'70s to today have made this region enormously successful.

The final rule is about an immense respect for the individual effort of people in this community. We do not have a good feel for how important it has been to have a tradition of respecting an individual – regardless of their credentials – in terms of the initiative they've offered to this community (whether it's for light rail, traffic calming or any other transportation leadership). A good portion of initiative has come from the sidelines and not from the center. It's come from innovation, motivation and confidence that the individual citizen can actually have an impact – whether they're a large contributor, small contributor, rich or poor. A good idea tends to gather support. The only thing you need is endurance. Endurance is really important.

I think light rail was proposed in 1971 by Lon Topaz in a report done by the public utility commissioner of Oregon. The report evaluated the rail lines in this region and suggested that rail transportation service in Portland might be of value. It was in 1978 that CRAG (Columbia Regional Association of Governments) finally endorsed the alignment of the Banfield light rail line, which was related to the Mt. Hood Freeway transfer, and allowed monies to be available for the Banfield light rail project along with approximately 130 road projects in this region.

We had an unusual occurrence happen from 1978 to 1980. Governor Straub was defeated by Vic Atiyeh, who supported the Mt. Hood Freeway. Connie McCreedy was defeated by Frank Ivancie, who supported the Mt. Hood Freeway. Jimmy Carter was defeated by Ronald Reagan, who didn't know anything about the Mt. Hood Freeway (but had he been given the opportunity I'm sure he'd have been lined up as well).

So you had a complete change in the philosophical leadership of our state, our city and our nation. Neil Goldschmidt was secretary of transportation until that day, and Ron Wyden defeated Bob Duncan, who was the chairman of the Appropriations Committee's Subcommittee on Transportation. So we were – what you would say? – completely wiped out by 1980 in terms of any political leverage, except for one fortuitous event, which was

that the Republicans took over the U.S. Senate. By the Republicans assuming the majority of the U.S. Senate, Mark Hatfield became chairman of appropriations.

Within a few weeks the budget officer, David Stockman, issued his black books on how to get rid of earmarks – very effective job – and how to control spending on the domestic level. They announced that all rail projects in the United States less than 10 percent complete were canceled. There was one rail project in the United States that was less than 10 percent complete. It was the Banfield light rail project.

At that time, you had the Urban Mass Transit Administration (UMTA) who was not favorable to rail, unlike today's Federal Transit Administration where they're so anxious to fund rail projects you can't get enough of them. That was a joke, by the way. The Federal Transit Administration is still just as bad as they were in 1981 with regard to accepting commitments by communities to support rail projects, which provide a very different dynamic for a community than the bus projects. These are all valid, all very useful and important for transit expansion, but it's part of that perspective about what the community commits to and how the federal government can be a partner. That isn't necessarily what they ask. In spite of the pain that's administered to each of us who participate in this process, ultimately, we've been persuasive and successful. A lot of that has to do with endurance.

We then were faced with the prospect of having our light rail project canceled by the federal government and had to launch a major political effort. We had Senator Hatfield, and we had a number of local leaders who were still bemoaning the loss of the Mt. Hood Freeway. They didn't quite understand this whole concept of transit being a fundamental component of our community.

Fortunately, we had this magic man who came from the county by the name of Dick Feeney, who was at TriMet. I also would hand out enormous credit to Jerry Drummond, who was president of the board of TriMet at that time. They had the insight to invest in developing the rail project, which made it possible for it to be selected as the preferred alternative in the alternatives' analysis. This was not an easy feat in 1976 and '77 while we were in the middle of transit mall construction.

Then we initiated a consortium led by Frank Ivancie, Vic Atiyeh and a delegation to Washington, D.C., to negotiate an arrangement with the federal government. Fortunately, we had transferred a freeway so we had interstate transfer funds. We were able to negotiate an agreement with the federal government that enabled us to use our interstate transfer funds, moving it from \$60 million, which we set aside, to \$120 million to fund the light rail project.

The light rail only cost \$120 million to Gresham, but we had to convince Washington County to let go of the \$60 million that we had allocated to the Westside light rail. This was necessary to convince the federal government that by not using any of their transit funds (only our highway funds) to fund the light rail project, we were able to preserve their "integrity" – that was a great word that they used.

So we were able to fund the light rail project without using urban mass transit/general transit dollars because of Washington County's agreement to let their money be transferred over to Banfield. That became the first time of what now has been a history of switchy-switchies. But that was certainly the largest one where we actually transferred money within our region, created a cooperative basis to do that and, most importantly, preserved the trust.

Preserving the trust is the bottom line of any rule about building agreement and consensus. The strength of that local commitment and agreement – as well as the complete commitment by all parties to continue to stay supportive of the program we built in this region – were the fundamental components that made it possible to create such transactions. It left us in a situation where we “owed” Washington County or we “owed” other communities. That owing, that respect, and preserving that trust – the ability to build and hold that agreement – has been the fundamental piece of our success in this region.

Each person who had the opportunity to be part of that could tell enormous stories. Bob Van Brocklin took one shirt to go to a meeting in Washington, D.C. as part of this, and the negotiations were so bad it lasted 30 days.

A little bit of background about transportation and the public role in transportation: I was at General Motors in 1969 when the defense industry was declining and they didn't have anything to do, so they were all converted to being transportation experts. In fact, overnight, they went out and changed the name on the outside of the Cambridge NASA lab building to the Transportation Research Center at MIT. This was a federal lab, and all 440 physicists who were studying space travel were transportation experts the next day.

The reason for that story is for us to remember that due to a series of decisions (most of it related to how we chose to dedicate funds to highways and how we subsidized transit and airlines), we literally destroyed the public business of transportation planning from about 1940 to 1970. It's like beer making. When we did Prohibition, we destroyed the ability to make beer and pass on the knowledge. In transportation planning we did the same thing. We destroyed the ability to really think comprehensively about transportation. This country has only started to renew that trade from 1970 on. It's a very, very short time that we've developed capacity and knowledge. If you look at transportation planning, you can track the evolution of the education in the system.

It's only been 10 years since we actually did anything else in our modeling besides multiply travel by 10 percent to figure out what commercial traffic was on the streets. Only recently are we starting to think that walking is important in our transportation plan and measuring it to figure out how many people actually walk. It ends up being enormously important as we think about global warming because the way you live in today's society; 25 percent of your trips can be handled by walking. You're actually happier if you live in a mixed-use environment and a more compact urban form, and you can dramatically change your carbon footprint simply by where you choose to live. We didn't even have a concept (yet alone information or data) as early as the '80s about that.

Today, we have enormous sophistication but we're still very new. You're the ones – the next generation – that has the ability to take that even further (and enormously further) in terms of our comprehension on such a complex subject as urban dynamics. Where do people live? Where do they work? Why do they choose to do what they do? How do they travel? Why do they travel? And how does it affect our world and our environment? Those questions are pressing us today.

It's amazing, frankly, how little we know about it today as we're evaluating it. The President's Commission on National Transportation Finance and Policy issued their report on January 15. It was appointed by the Republicans. There were nine Republicans and three Democrats on the commission. Staying true to form, the Bush administration denied the whole thing as it was issued. But they're only going to be here for another 11 months, and what that commission recommended had far-reaching ramifications.

The paragraph that I have almost memorized is the one that says that the federal government should have an avowed policy of promoting electric rail transportation for the security of our nation, for the independence of our nation, and for the support of developing compact urban form in the United States.

It recommends that, particularly for streetcars (because Paul Weyrich is a member of the commission who is particularly enamored with streetcars), the FTA should remove all irrelevant criteria like travel time savings, since the streetcar doesn't save any time. And it recommends that the FTA should concentrate on urban development, compact urban form and the issues that lead to travel choice for individuals, which are enhanced by these types of developments and the renewal and redevelopment of our cities.

The message out of that is that the policies are changing. I believe we have the same opportunity as with the policy change that occurred in the early '90s when ISTEA (Intermodal Surface Transportation Efficiency Act of 1991) was passed. We have a similar opportunity in 2009 and 2010 for a major change in transportation policy, and that's due to the effectiveness and commitments of what's happened here. There's no question that Portland is at the center of this because of the 30 years we've toiled at not accepting the rule.

Thank you.

David Knowles: I've got a question for Olivia. How exactly did you get this money from the legislature? I think the interesting stories are partly the payroll tax, but you didn't talk much about the \$250 million in authority for Milwaukie light rail. What was the key to that support in the legislature?

Olivia Clark: One thing that I didn't say about the payroll tax is that even before the legislature ever started, this region had been working on the increase. Before I got here, the chairman of the board of TriMet, George Pastor, who was the CEO of Wells Fargo Bank at that time, had gone around to talk to probably the 15 largest payroll tax payers in

the region and got them to sign off on that increase. In fact, we were able to use their logos to support that. Then their business associations followed suit. That was very important to our success as well.

At the last legislative session, we got \$250 million for the Portland-to-Milwaukie light rail. We had started early on that as well. We knew that the bonds that had helped pay for the Westside MAX were retiring and we wanted to capture that. In fact, we wanted to at least double that, if not better. What was different is that we had lots of champions. The co-chair of Ways and Means told me that we've really passed the tipping point on the public acceptance of electric rail, particularly light rail. He was a huge proponent, so was the other co-chair of Ways and Means, and there were lots of other friends. We had a wealth of champions that supported the payroll tax.

David Knowles: Thank you. Rick didn't talk much about the streetcar. Rick, I think maybe a quick summary of how the original streetcar financing was put together would be helpful for a lot of folks here.

Rick Gustafson: In 1987, then-City Commissioner Earl Blumenauer delivered a speech to the City Club calling for a streetcar loop in the central city, so we didn't have any choice. It only took us 14 years – he was very patient. The streetcar was driven by the land use planning that committed 500,000 people to come to this region in the early '90s, and the city was allocated 30,000 people of the 500,000. The City of Portland came back and said, "We want to take 100,000." Somebody correctly asked, "Where will you put them?" They proposed 30,000 in the central city.

You have to appreciate the humor of that in the mid-'80s. It's not so humorous today, but it was quite humorous in 1985 to suggest that that many people be added to the central city. How in the blazes do you accomplish that? This led to some decisions about upgrading the quality of transit service. Rail was loved, so why not put rail where you want high-density residents to be? Fundamentally, that was the decision made in 1990 by a committee headed by John Carroll who said that we want quality rail service in central city for high density.

John Carroll developed the Gregory, the McKenzie Lofts, Elizabeth, the Edge, the Elliott and eight different condo projects in Portland. But in 1990, John owned Hoyt Street Yards and made a decision to sell it, which he doesn't brag about too much. John had owned some property out on Merlo – I think a shoe company bought that – and he needed to do a 1031 exchange. He bought Hoyt Street Yards and then turned around and sold that to Homer Williams. Early on in 1990, John joined with a group of people to say we ought to make the streetcar happen.

Homer Williams entered into a development agreement where he agreed to increase his densities if the city agreed to build a streetcar. That commitment then drove a decision to figure out how to finance a streetcar. The decision was made to increase the rates of the city's short-term garages by 25 cents an hour and bond that in order to finance the streetcar. So the city issued a \$30 million bond to finance the first streetcar. As a result, it

raised the minimum densities in the Pearl (along with the commitment to the parks and removal of the Lovejoy ramp) to 139 units an acre, which, as any economist would tell you, wouldn't sell as a minimum density in 1995. Yet, that was done and it was a key financing component. Isn't it fun to think that we can use parking to help fund transit?

David Knowles: Thank you very much, Olivia and Rick.

SUCCESS FACTOR THREE: Project Execution

David Knowles: Success factor number three: project execution. This is an easy part to overlook, but it is a critical part of making these projects successful. One of the reasons this region has been successful is that each time our projects come in on (or under) budget and on time, the public awareness of that is the absence of controversy. That absence of controversy carries on into the next project you do, so continued success is really important.

Neil McFarlane has been an instrumental part in the region's development of light rail for quite a while. He is TriMet's executive director for capital projects and facilities division. He leads the development, design and construction of capital facilities, including the Washington County Commuter Rail, which will open this year, and the I-205/Portland Mall Light Rail Project, which is scheduled to begin service in 2009. Under his direction and supervision, Interstate MAX opened and began service in 2004 – four months ahead of schedule and under budget. And he had a great consultant design team, I'd add.

Neil has had a long career in public service. He was on the Metro staff when we were building the Oregon Convention Center. My role on the Metro Council (not a large one, but it was an important one) was to help represent the council in the decisions leading up to the construction of the Oregon Convention Center. Neil was part of the project development staff at that point.

Neil, we look forward to your presentation.

Project Delivery and Proper Behavior, Neil McFarlane, TriMet's Executive Director of Capital Projects and Facilities

Biography: As TriMet's Executive Director for capital projects and facilities division, Neil leads the development, design and construction of the agency's capital facilities including the Washington County Commuter Rail, opening in 2008, and the I-205/Portland Mall Light Rail Project, scheduled to begin service in 2009. Under Neil's direction, TriMet completed the Interstate MAX light rail extension in May 2004 – four months ahead of schedule and under budget. Additionally, Neil represented TriMet in the unique public private partnership with Bechtel Enterprises for the Airport MAX extension. Prior to becoming executive director of capital projects in 1998, he was project control director for the 18-mile, \$963 million Westside light rail project. Neil earned his Master in Urban Planning from the University of California at Los Angeles in 1977.

Neil McFarlane: Thank you very much, David. I think my staff would be very disappointed if I didn't start by saying, "On time, on budget; on time, on budget!" I am Scottish by heritage, so that budget always comes across very strongly in my presentations.

(This presentation was accompanied by a PowerPoint display)

I'm going to let you in on a couple of dirty little secrets today: sometimes there's more than one budget, and sometimes we find that the best way to control cost is by saying yes to people. These are sort of mysteries that we've come across in this region over a period of time.

There is a long history of transit construction projects and, with the help of a lot of people in this room, we're actually smart enough to have learned some things over the years. We started building transit projects in the '70s with the Portland Transit Mall. I didn't live here at the time, but its construction history had a lot of challenges associated with it: a lot of businesses that went out of business, a lot of disruption, a lot of claims and dissidence between TriMet and the city.

One of our very smart predecessors in light rail construction is a fellow by the name of Roger Shiels. When it came time for the Banfield, he realized that we had to think about this a little bit differently. He understood some of the lessons learned from that original transit mall project and created a very different way to construct the Banfield portion of the downtown light rail project.

We learned something more (*from the Banfield*), and we took some of those lessons and rolled them forward to the Westside as we began to construct that big project. It was a \$966 million project, which, if we inflated to today's dollars would be a \$2.1 billion project. We learned some things from that project. We've been able to bring all of these lessons along and develop a toolbox of efforts and applications that we now apply to our construction projects. They're still not perfect and I'm sure that there are still lessons that we can learn, but I think we're making the construction process a little less painful – and maybe even rewarding – for some of you.

One of the statistics that I'd love to share is about all our efforts in preserving businesses and helping businesses. When we started Interstate MAX, our goal was to not lose any businesses. Well, we might have lost maybe one or two, but by the time we finished construction, there were 100 additional small businesses opened and operating along Interstate Avenue based on those efforts. Those are the kinds of results that we know we can get, and those efforts have been rolled forward to our projects today.

I wanted to note that there are a number of different factors. I've tried to organize this presentation (even though it probably won't sound like it), but the theme here is: how we build it is as important as what we build.

I've got another factor that we'll go through, which is how light rail really sets the stage for follow-on projects. We don't have to do everything with one project, and it's really important to make sure that qualities are established so that there are additional projects that follow. Greg Baldwin mentioned that in his presentation.

Familiar items based on the current conversation are: collaboration, outreach and partnerships. In particular, I want to focus a bit on our community affairs effort, our DBE

(disadvantaged business enterprise) work force, our art program, and teamwork, because those are all the factors that have helped make us successful.

You remember this (*referring to PowerPoint*) – this is the tunnel portal for the Westside. It's a very important site, but it's right in the middle of the Goose Hollow neighborhood. As Ann Becklund noted earlier, this was a bit of a firestorm. In most tunnel projects, they would name a tunnel-boring machine Mighty Max or Bump and Grind or some forward-looking, very male kind of orientation. Well, here, the tunnel-boring machine was named Beauregard to be a Southern gentleman – to be smooth and to be not noticed. That was the theme that we tried to use as we developed the construction program for the Westside.

The Westside was also a pioneer for something that we now have institutionalized around our projects: the conduct of construction plan. This is a mechanism that we use to define how we're going to build it. Now, is that TriMet? Is that the designer? No, that's the community interface with all of those entities respectfully understanding what the community needs; what the issues are around construction; and how we will plan together to make sure the construction is as amenable as it can be to the local community.

One of the things that we found as we looked at the conduct of construction plans is that we have a ton of objectives as we move through construction. We were concerned about:

- access to local businesses and residences;
- traffic control in terms of through traffic;
- public safety;
- construction safety;
- timelines and milestones along the way;
- impacts to various members or institutions in the community;
- how the contractor is going to perform;
- how intersections (which tend to be a key critical area in light rail construction) are sequenced;
- what's going to happen with utility relocation and construction;
- how to maximize local benefits, and this relates particularly to disadvantaged business and work force issues; and
- how to make sure that, as we work through the neighborhood, the design qualities are maintained through the construction effort.

Can you imagine trying to figure this out with the absence of one of the major partners in all of this – the contractor? Can you imagine accomplishing all of these objectives if the contractor wasn't on board to discuss and accept those objectives?

The philosophy we rolled forward was to pioneer a number of contracting techniques that allow us to engage a contractor at the front end of final design. This was a bit revolutionary when we started because the whole public works' interest is really focused on low bid. We found through a lot of experience that low bid was not the lowest priced project because these are very complicated projects. They have layers and layers of activities on top of one another, and layers and layers of contractors and subcontractors. Unless it's planned right and planned to go well, we won't have a good outcome.

The key comparison may be between our 4C segment (which was the Goose Hollow segment through the downtown area) and, more recently, our Interstate MAX construction. As we look at the general change order statistics on that, the 4C low-bid contract had a change order percentage of about 18 percent on that job. As we looked at the upper Interstate segment, it was, as noted here (*referring to slide*), 2.3 percent.

So this new technique of bringing the contractor on board early allows us to have a great deal of budget predictability. Now, why is that important? It's important, first of all, to be on time and on budget. It also allows us to program our improvements and balance our objectives with our community. For example, we know we can put investments in place if we've got some extra funds early when they are most cost-effectively produced. It also allows us to judge and balance the design as we go, and to see if we need to pare back along the way to make sure we meet our objectives.

This is all done in an open atmosphere in collaboration with the architects and civil engineers, and with the community all involved, so that we can make sure that we get a result that everybody can live with.

Again (in no particular order), I think it's important to note that, in our view, light rail does set the stage. From the beginning, I think the standards of quality for Portland's ecosystem have consistently been higher than many places in the country. I can think of Salt Lake. I can think of Denver and some of the early L.A. projects. Fortunately, I do believe that standard is being raised around the country – to some extent because of the influence of Portland – but we set a very high standard on design.

Greg's firm actually won an AIA (American Institute of Architects) design award for the original Banfield project. Not too many light rail projects can claim that. The Westside project won a national design award from the DOT (Department of Transportation) and it was a very exciting honor to be part of the project. Not only was it honored for its transportation accomplishments, but for its design accomplishments.

One of the items that sets the stage has to do with transit-oriented development. This is a key part that may or may not be part of the scope of an actual light rail project, but it's one of the things that we think is very important to facilitate as we develop. It's setting a framework that allows good urban development to follow because (as has been noted) the real ideology related to both the design and our development of these projects is the land use connection. We do everything we can to either jump start or to facilitate those good developments that follow.

For example, one of the techniques we've used is to acquire extra territory for construction staging areas and turn those areas into future transit-oriented developments. That's happened in a number of parcels in the Goose Hollow area. Soon you'll see that occurring up at the Crown Hotel site along Interstate. We try to be innovative in finding the twofers that allow the construction to proceed efficiently but also facilitate the kinds of development and land use reaction that we really want to see from these projects.

Sometimes these are very successful. Here's a little side story on Orenco station: many of you may not realize it, but we were under contract and in construction for the original Orenco design, station, and Park & Ride area, when all of a sudden the City of Hillsboro came up with this great idea of a snazzy new land use pattern that was going to be a neo-traditional development. Frankly, most of the construction entities would say, "Sorry, it's under contract. Too late. We're moving ahead." TriMet backed off and said, "Well, take some time to develop this a little further and come to us with some agreements." Sure enough, the city and the developers were able to do that.

The result is Orenco, which is something that we can all be very proud of, but it wouldn't have happened if there wasn't some flexibility in that mantra of "no scope growth" or "no scope change after award." I think it's important to note that even though we can be tough taskmasters at times, we also need to recognize when a real opportunity is in front of us and to work to take advantage of that.

I mentioned Goose Hollow. Andy Cotugno mentioned The Round. Actually, I do think that's a successful, very challenging area. It's a very auto-oriented part of Beaverton that is now likely to change. The Rose Garden, convention center, and NE Holladay Street were all mentioned before, but they are some of these areas that I would say are pregnant with potential.

I was asked when I was putting together these remarks, "Can you tell me about that goofy horseshoe turn you've got under the Sunset Freeway there out at highways 217 and 26? Why did you do it that way?" Almost any engineer would look at that and say, "Well, you know, you really should have just flown over all that stuff and just made it a very efficient trip into Beaverton."

Again, it was an attempt to connect to a land use connection. Many of you may not realize it, but the highest density zoning and mixed-use zoning in Washington County is on the Peterkort site directly adjacent to the Sunset Transit Center. That continues to be a site that has great opportunity. It's owned by a family that's very conservative in its outlook on that, so we'll see about the development, but the notion was to create a very active and dense urban node at the Sunset Transit Center.

Another area that I think we still probably wonder about is our development of the Cascade Station area along the airport line. It was very challenging because of FAA (Federal Aviation Administration) restrictions. We couldn't put housing there, which has often been a stimulus to many of these developments. Nonetheless, we were hoping for something other than big box retail and, hopefully, some of those sites will ultimately see more than that.

Here's a key to our success. I think somebody mentioned it's easy to stop a project. The way I described it to my staff is: lots of entities and people have kill rights. You wouldn't believe who can kill a project. The only way that you can avoid it is to reach out to people, collaborate with people and look for good solutions. It's a never-ending job until the concrete is hard, and sometimes it's not done even after that.

This also includes reaching out to some unlikely partners that you might not think about. Essentially, every person you buy property from is a partner, and that relationship needs to be developed to give you the best outcome you can possibly have in terms of an acquisition.

I was reminded of another unlikely partner yesterday as we sat down for the first time with Union Pacific Railroad regarding the proposed Milwaukie alignment. They're a very big player that has a whole lot to say about how the alignments will be done. We have a long history of working with them on all these things, but they're always hard, and they're always difficult and they are always more expensive than we'd like to see.

I'd also note that this collaboration outreach starts were early. My colleague, Richard Brandman, and others in this room lead the quarterly planning effort at Metro. I wanted to give particular kudos to the work they do to make sure that these projects are well vetted, even at the very early planning stages that we go through. There's great attention to citizen outreach, which is so important because if that's not done at the early stage, surprises come later and that's really bad news then. The groundwork that's laid all the way through these projects is just absolutely critical to their outcome.

The other thing I'd note is that the conflicts that inevitably come when an interest group or important constituent puts pressure on the agency to respond oftentimes result in some of the best and most creative solutions – in terms of both design and construction – that I could ever imagine. I took a picture here (*referring to PowerPoint*) of one that you'll soon see in the middle of 2009. This is the through traffic lane on the transit mall. As we started this project, there were many, many people who said that the business community's desire to see a through traffic lane all the way from Union Station to PSU in both directions was an impossible dream. You might recall in the original transit mall, there were blocks that used to jut out, block traffic and force traffic to turn. Light rail had to be in the middle lane and those blocks were the places where stations had to be. There was just no other answer.

Well, through some really creative work by our designers (Leah Robbins and Alan Lehto), other people in TriMet operations and great traffic operations from PDOT, a great effort was made to look at a number of alternatives. Sure enough, we were able to find an alternative that allowed a through traffic lane. In our view, it actually provided benefits to the transit operation by providing all of the transit patron loading on the right side of the street. It also created a very clear, easy pattern for buses and trains to share the same two lanes (not at the same time, though). I think that's a perfect example where pressure from the community actually helped us find a much better solution than we had when we started.

There are tons of examples. Another one that you'll see out on the transit mall right now is the sandset paver intersections. There was a cost issue. There was a maintenance issue. There was a longevity issue. We needed to find a solution for that. There was a lot of pressure from all sides saying, "No, just make them concrete" or "just make them asphalt," but we knew we had an urban design objective. Our talented designers and

engineers found a solution that I think is going to be superb. It's certainly superb out there today. It looks really terrific.

One example that I think TriMet is particularly proud of is that pressure from an ADA (Americans with Disabilities Act) group caused us to be the first property in North America to have low-floor light rail vehicles. Starting later this year, you'll begin to see the next generation of those cars, which are very cool looking. Again, it was pressure from the community on our technical staff that really brought that solution to bear, and we're all better off for it.

I noted that sometimes there is more than one budget, and partnerships are key to that. As a current example on the transit mall, we simply ran out of budget to provide all of the amenities that the downtown community desired. We had developed a pretty trustful relationship and an open book about our numbers with key members of that community. It became clear that if there were going to be additional enhancements for the project, somebody was going to have to pay for it.

Out of that came sort of a challenge-grant situation where TriMet put in a third, the city put in a third, and the local businesses (through a local improvement district) put in a third. We raised a great deal of additional money to pay for this scope, which is outside of the full-funding grant agreement for this project. That relieved the base project scope from all of this pressure that we were feeling from the community. So it's an open book, trustful relationships, and all the partnerships developed – those are all sort of the key phrases you've heard over and over again with the various presentations – but it's important during the construction phase.

TriMet or the city or any agent shouldn't be asked to go bankrupt developing a light rail project (and won't). But we should be asked to be smart with our funds and to challenge our partners to help us if a situation comes up where our funds don't reach as far as some people might like. There are a lot of examples besides the transit mall of this. The PSU urban plaza was actually developed based on an earmark from Senator Hatfield, who you've heard referenced lately. Our partners were PSU and the City of Portland. TriMet provided a major role in it, but I think it was a great result for the city. Now, it will be the site of another great light rail station, so we're making connections here in a very important way.

Obviously, we talked about some of the transit-oriented developments, or TODs. We've had many partners in those including the Portland Development Commission and many cities, and Metro is a key player in all of that.

Those cute deer and ducks (*art statues*) and other things near Pioneer Courthouse Square along the original Banfield line were paid for by local contributions. There are many, many areas of partnership that influence the product that you see out on the street right now – and I think all for the better.

This presentation had a parenthetical statement of proper behavior, and I think this is where I want to stop for a moment and talk about that. Proper behavior is where it's really important to engage with our constituents and partners at all levels. We want to make sure that everybody's objectives are met – or that there's a chance they will be met – and provide solutions creatively when we can. We have a lot of firepower in terms of creative designers and engineers. We need to bring those to bear to solve problems that people see associated with both our projects and their current situation in the city.

While we certainly can't say yes to every request or every constituent that comes our way, we have to be trustful and open and respectful in that relationship and often look for different ways to solve the problem. Many of the examples I've used have ended up being win/wins. They've been better for TriMet, better for the city, and better for the property owners. Believe me, those don't come easy. They come with a lot of hard work and a lot of detail. There are some in this room who know that because they've been through the school of hard knocks.

Clearly, a key to a successful construction project is community affairs. This is a broad topic and you've heard some of it talked about before. First of all, our community affairs representatives are embedded and they're empowered. They are part of the construction team, and they are empowered to work directly with the contractor and the engineers to find solutions to people's problems.

There was a mention earlier in Vic Rhodes' presentation about how important it is to keep your promises. Well, if there's a role for a community affairs representative, it's to keep promises. Sometimes in construction, with a lot of different entities involved and a changing environment, that can be harder than it sounds. Our community affairs representatives are there to make sure the promises are kept and to make sure that construction disruption is minimized as much as possible.

One of the things I want to note here is that we also think the tools of the trade are very important. This is something that developed over time. We have a business assistance program and business loan program through PSU. Our community affairs representatives are essentially ombudsmen for businesses in terms of other issues that arise. They need to get results when a truck is parked in front of a loading zone that needs to move. They need to be on the spot. They need to be on the job. They need to carry pagers 24 hours a day. They develop close working relationships with all the people directly affected. It's been a very important element and a very strong reason for our success in keeping construction disruption to a minimum.

They also give a lot of tours. We find the construction phase is fascinating for a lot of people. While they might sometimes complain about the disruption, I think this is still a community that appreciates developing and building. They look forward to seeing the results take place over time.

It's very interesting at the Mall to watch people watch the game of light rail construction. We've had events that we call "X marks the spot" where we actually served hot chocolate at night while rail welding was going on. Fundamentally, I think it shows that people respect construction. Showing them the process while it's ongoing gives them a greater appreciation for what needs to be done here and in the future.

There's a little sideline that I'll note here. This is another one of these dirty little secrets I'll share with you today. Ann Becklund's predecessor was a very smart woman by the name of Jan Schaffer, and she and I sort of began the Interstate MAX project together. One of our promises was that we weren't going to dislocate any businesses. We weren't going to take any buildings as we went through this project.

Well, we went through PE (preliminary engineering) and that was actually true. On our PE drawings, we avoided all buildings. We took some shapes and corners and a few other things. Those final designers, though, threw us a curve. Down in the Albina area there was this little restaurant called Cafe Marx sitting on a tight little corner. After the final designer got through with the track setters, the curves, all the spirals, and all the other fancy things they do, it came out that it had a sidewalk in front of it of about six inches. Well, that wasn't going to work.

So here we are faced with a disruption—a relocation—and we promised not. Roll the camera forward. I found myself eating a lot of greasy eggs at Cafe Marx and getting to know the owner very well. I found out the situation of the owner, who actually did not want to continue as the owner of the business. I found out that the real constraint there was that he had a lease with a very charming elderly Greek couple who lived in Irvington. Roll the camera forward. I'm having Greek coffee and pastries with an elderly Greek couple from Irvington and finding a win/win solution that allowed us to acquire the property without the wear and tear of a forced acquisition or relocation. But that episode took a lot of time, a lot of energy, and it became known as "Cafe Jan and Neil" before very long.

I use that story only to note the level of effort you go through, and sometimes – maybe it's the theme of the story – you don't follow the rules perfectly if there's a reason not to. In this case it was probably a little outside the normal bounds, but it was a good thing to do and it resulted in a really good result for everybody.

One of the other areas that I think is really important and it has won us a great deal of credibility is our DBE and workforce programs at TriMet. I think the success of this has been due primarily to: 1) our commitment and value that this is an absolutely critical objective, and 2) the early involvement of our contractor in developing these contracting plans. Through our CM/GC (construction manager/general contractor) or design/build programs, getting the contractor on early, getting them aligned with our objectives, and looking for ways with that contractor to achieve the objectives was absolutely critical.

The other piece of this I really want to emphasize is that a DBE work force is not a numbers game. It's not getting a percent of DBE participation in a contract. Certainly, we

look at it that way, but this is about affecting people's lives and growing wealth and developing capacity within a community. That's what it's really about, and you've got to feel some passion about it to make it happen. Frankly, the legal structure that we currently have in this country doesn't really support it, so you've got to go above the law. You've got to get to your value system to make this really work, and you've really got to embed it throughout your culture and your organization. I think we've done that to some extent at TriMet. We can always do more and always do better, but I think our commitment to this has won us a great deal of support from members of this community, which we roll forward as a very positive message on our next project and our next corridor.

I do want to also note that this really comes down to a lot of hard work on the part of the contractor and the team. For example, our CM/GC and design/build contracting methods have been absolutely critical in allowing us to do this (*create a DBE work force*) by getting those contractors on board and getting them aligned with our objectives early on.

Another little side story is that, as we were developing the Interstate MAX project, it became very important to make sure that these objectives were met. It was one of our key promises to the community and we felt it was very important that it be kept. We then procured our CM/GC contractor and hosted some community forums. We asked these contractors to present their plan for DBE contracting to a community forum. In that forum there were many representatives: the Albina Ministerial Alliance, many members of the Hispanic community, many members of different organizations that represent disadvantaged businesses, and union representatives who represent and work on workforce issues.

It was very interesting to see how having to present in front of an audience focused on diversity and with a lot of faces of color changed the attitude of many contractors. They now realize that maybe it's not okay to march five white guys in front of a group like that to show their commitment – that maybe they really need to show their commitment in real ways that are meaningful to that community.

I think what we've tried to do is to be innovative in our solutions and in our approach, all with the objective of trying to align our contractors and team with the values we share.

Another key tool that we've used in engaging the community – and this has been important from both a community standpoint and from getting the involvement of many different citizens – is the art program. This has really developed over time. At the beginning of the Banfield project, the FTA didn't want to pay for art. That's why it was locally funded. On Westside they said, "Well, it's okay if it's embedded art. If you've got an art bench or an art-related transit shelter, then it's okay."

On Airport and Interstate, the restrictions got a little bit looser and we were able to do real art. I think it's getting a little better as life goes on. It's a great way to involve very important constituencies. We had a big effort on Interstate, and that's continuing on I-205 where our art meets a number of different objectives. To a large extent, it brings the

history, the soul, and the voice of the community to the project itself. So it's not just a sterile transit station, it actually has a personality that reflects the community's needs and desires. That's important because it provides ownership. Art has been one of the areas where they've often found partnerships that helped enhance the project at no direct cost to the bottom line of the project budget. I think it's been a very important program for us overall. Mary Priester runs our art program, and congratulations go to her.

Finally, I just wanted to note that our success, and the extent to which we have it, is due to teamwork. This is a shot (*image from PowerPoint*) that was taken at the groundbreaking for the Washington County Commuter Rail, and we now know it as WES (Westside Express Service). There are not very many projects that can bring together the full congressional delegation (Republicans, Democrats, Senate, House, and local leaders as well as appointed officials) but our projects do, because there's a great deal of pride associated with them and there's a great deal of success associated with them. Some of that (as David Knowles noted) is "on time and on budget," but there are also these quality and community-building aspects that are key to our ideology, which I think have helped drive us forward as well.

So the last point I wanted to make is really related to how we think about teamwork and why I think it's a little bit different here in Portland than some other places. We have the unfortunate situation where we don't have a half-percent sales tax dedicated to transit or a half-percent income tax. We fund our projects by cobbling together money from lots of different sources. We go to rental funds, general funds, parking funds, systems development charges, TriMet payroll bonds, the MTIP (Metropolitan Transportation Improvement Program) regional funds, and local governments where the funding sources are. We look really hard and work really hard to pull those funds together. A repercussion of that is that all of those entities that help contribute funding to the projects are partners. They're financial partners that have a stake in the outcome. I think that has a particularly positive aspect when it comes to getting permits, looking for good design solutions, and working through issues because they have a stake in the success.

While we certainly can continue to embellish these tools, I would say that we've now got a pretty good basket of tools and techniques that we are looking forward to putting to work on other projects. I have to say that there's nobody at TriMet right now that can claim that we were the ones who invented this basket of tools. It has evolved over a number of projects and over a long period of time. I think the only thing we can take credit for is that somebody around here is smart enough to occasionally learn those lessons and to apply them on the next project.

David Knowles: Questions for Neil.

Voice in audience: I've seen a lot of projects go south because they hit a snag with something that was unseen. I'm wondering if you've had that happen and how you dealt with it, or if you've been fortunate enough not to have a big thing like that happen.

Neil McFarlane: Oh, yeah. You couldn't answer a question from Portland like that without first talking about the Westside light rail tunnel. That tunnel-boring machine that was nicknamed Beauregard was also nicknamed Slow-regard at the very beginning because it was actually making inches a day of progress when the projected progress rate was supposed to be in the 60-, 70-, 80-foot range. So we had a huge problem. But I think that's an actual example of how we used creative contracting methods and a lot of unique approaches to try to come to a solution.

We brought in teams of experts from around the world to look at the issue. We brought a contractor in. We developed a contract amendment for our contractor, whose contract was awarded low bid. As these things slowed, the contractor was going "ka-ching, ka-ching, ka-ching" in terms of time and delay charges. Through an amendment, we found a contract mechanism that changed the motivation of the contractor to help us find the solution rather than to be a little disobedient or not quite so involved in helping us get there.

Long story short: the tunnel still cost a lot. We had to look for nips and tucks around the rest of the project to make up the difference, but at the end of the day, we finished the project on time and on budget. I think that was probably the most dramatic example. Tuck Wilson was the project director at the time and I have a great deal of respect for him and have learned an awful lot in terms of the creativity that he applied to finding solutions through that very difficult time.

Sometimes you can think about where the risks are going to be and look at the best ways to manage those. As a current example, on the Mall we knew our biggest risks were going to be underground utilities. So we made sure that we advanced the underground utility work far enough in advance that, no matter what problem we found, we knew we weren't going to affect the surface civil construction work, the track construction, the sidewalk construction and the other things. We always knew we could get out of the way of that work. At least if there was a problem in utility construction, it didn't ricochet to cause problems for other contractors. So that's another technique that we've used.

David Knowles: Other questions?

Voice in audience: Neil, you made reference to the use of low-floor cars, which we started on the Westside project where the Banfield had been high-floor cars. That change was really a life-changing issue for the disabled community here – and I think across the nation as we sort of set the standard. Can you tell us just a little bit about what it took to make that decision to go with the low-floor cars?

Neil McFarlane: Well, one thing it took is the change of the general manager at TriMet. We actually had a lot of questions and pressure about this from our committee on accessible transportation, the CAT committee. They made a number of impassioned pleas related to this issue. Up until that time, I think that the major philosophy of our system's engineering group was that we never want to be on the bleeding edge of new technology.

They were very afraid of the low-floor cars because they hadn't been proven in North America where we have fairly stringent crash standards. That was going to be the bleeding edge. Going into the development of that was not something we wanted to do.

Frankly, it took a bit of a process and a long study that was conducted by LTK Engineering Services that began to look at European examples of low-floor cars. They brought that to our current situation, assessed what current manufactures could do in North America, and brought it in front of the TriMet board of directors. Ultimately there was a recommendation from the then-new general manager, Tom Walsh, to go in a different direction. At the time it was like “over the dead body” of some vehicle engineers who thought it was a very silly thing. I think you're right that it's been very formative in terms of the whole industry and, certainly, here in Portland. Frankly, we couldn't be operating the system that we're operating today if we hadn't made that decision. I think one of the key factors was that the time it took to operate a wayside lift and get a wheelchair-bound passenger on a train would have completely screwed up the headways of our operating system, particularly as busy as it's gotten today. I hope that answers your question.

David Knowles: Just adding a tad to that: I've spent some time in some other cities in the last couple weeks. There are places like San Diego that do not have a consistent design for their platforms and, therefore, they're operating two or three different kinds of vehicles. So it makes a big difference in the operations side.

Voice in audience: Neil, getting back to the “don't play by the rules theme,” one of the rules is “no local preference for hiring contractors” – that's a federal requirement. Yet TriMet has done a stellar job of playing by that rule and making it work so you could hire a lot of local contractors, particularly on Interstate. Can you talk a little bit about how you didn't play by the rules and played by the rules and made that happen?

Neil McFarlane: You bet. That was a key commitment to the community on Interstate, and it was a balancing act between the legalities of being a federal grantee – which requires no preference essentially – and what we really knew we needed to do from a value and community standpoint.

So let's step back to awarding the major contract, which was a \$100 million civil contract. We chose a construction manager/general contractor approach to that contract, largely so that we could have some flexibility to address these issues. We selected contractors and put them through the rigor. One of the examples I used earlier was where those contractors had to present their plans for achieving DBE objectives to a community forum. Then we went through a selection process where that was amongst the decision criteria in selecting a contractor. I think it's very important to note that we've always involved our disadvantaged business advocate at TriMet, Bruce Watts, in these efforts starting with the Interstate project. He's not always a voting member, but he's an advisor to the group to make sure that the views of the community and the qualities of the plan can be thoughtfully evaluated by any evaluation committee.

That led to a selection of a contractor and the hope was, based on those criteria that we laid out including DBE planning, that we had somebody who was generally amenable to it. The first step that the contractor was asked to do was to develop a contracting plan for approval by TriMet. This required the contractor to think intelligently about how they're going to schedule the project and how they're going to break it into pieces to involve different subcontractors. We also involved the DBE community in reviewing and helping to develop that contracting plan to ensure we had small units of work sub-bid in the broader contract which local contractors could perform as one element. If you know how CM/GCs work, the CM/GC is the master contractor but they sub-bid out lots of scope of work along the way.

What we found was that if we're really creative about that with the contractor, we can find lots of little pieces of work that small contractors (who otherwise would not be able to work on these projects) could actually perform. Now, that takes extra paperwork. It takes extra supervision. It takes extra motivation. But it achieved the results that you were referring to.

Through that effort we've been able to grow capacity in the disadvantaged business community pretty substantially. Some of the contractors that we started with were only able to bond for \$100,000 or so worth of work, and they're now working with us on the Mall. Their scopes of work are over a million dollars. So you begin to see the growth of these firms in terms of their capabilities and their ability to contribute to these projects overall. It's very rewarding to be part of that. I hope that helped.

David Knowles: We're going to move on to the next and final panel. Neil, thank you very much.

SUCCESS FACTOR THREE: Project Execution (Continued)

Panel Discussion: If We Had It to Do All over Again

David Knowles, Moderator

Greg Baldwin, Partner, Zimmer Gunsul Frasca Architects

Ann Becklund, TriMet's Community Affairs Director

Richard Brandman, Metro Deputy Planning Director

Olivia Clark, TriMet's Executive Director of Government Affairs

Andy Cotugno, Metro Planning Director

Richard Feeney, TriMet's Former Executive Director of Government Affairs

Tom Markgraf, Community Involvement Consultant

Neil McFarlane, TriMet's Executive Director of Capital Projects and Facilities

I'd like to invite everybody with a name tag to come up here. I have some questions already, and I invite you (*the audience*) to use the cards on your table. Bring them up here to Ann Becklund if you have questions that you don't want to ask yourself. If you're willing to just stand up and ask them, I'll give you the opportunity to do that as well.

This group is prepared to tell you what they would have done differently, but we want you to ask, "Well, why did you do it that way?" We'd also like you to say, "This is really a stupid way to do it," or "This is a better way to do it." Fortunately (or unfortunately) Olivia kind of spoils this first question, but one of the things you may have noted about most of our speakers is that they're older, they're white and they're male – except for Olivia. Clearly, there has not been a lot of diversity in the leadership in the transportation community over the last 20 or 30 years. The first question (and this came from the audience) is, "What would you do to get more diversity in transportation leadership into the future?"

Andy Cotugno: Well, the simple answer is you hire. You hire the junior people that are going to move up through the ranks with broader diversity. Give them opportunity. Give them challenges.

David Knowles: Is that it? What else do we need to do?

Neil McFarlane: I might add a few things that we've tried at TriMet. One is internship programs. We've worked with Portland State University and other programs to try to find talented young college students of a diverse background. We try to integrate them into the project and then suck them gently into the folds of bureaucracy so they can continue to develop and, hopefully, become a leader in the future. We've had some very talented people join us in that regard.

I'd say the other thing that we do – again to Andy's point – is hire. Right now, I think TriMet has a pretty good balance of males and females in terms of our technical people. What we want to see is the continued development of that over time. But I agree that it's a weakness that we've had and one that we need to work very diligently to overcome.

Richard Brandman: I would also add that I think the universities have a role to play in

encouraging diversity of the student population, especially to get in this field. I think it was predominantly white males at one time and it's not anymore. That's a very encouraging thing. If you look around Metro (and as Neil just said, TriMet) at the departments that are doing this kind of work now, you'll see lots of diversity, which we certainly are looking for and appreciate.

David Knowles: I'm going to add my own observation. This is something I've thought a lot about, particularly in the context of the city of Portland. This city in particular is full of young creative folks. My own son, who is 22, is actually thinking about moving back here. That was not something we were doing 20 or 30 or 40 years ago when we were coming out of college. It's because the city is so great. The problem is that your generation (*referring to the audience*) has choices – many more choices than I think we had – and you're looking for jobs where you're going to feel rewarded and motivated. So my advice to all the agencies that you represent is, make sure you think about the kind of environment you are creating for those younger workers. You need to be competing with the rest of the marketplace for those people who do have choices – a lot more than we're probably accustomed to.

Richard Feeney: During lunch, somebody asked me if there were very many women involved in TMAC. I answered that there were and ran off a long list of women involved in TMAC. Then I was thinking about that after the conversation. Not very many of them came from TriMet, because at that time – at the very top of TriMet – there wasn't really a commitment to the diversity in the workforce. Today at TriMet there's a very, very strong commitment at the top to diversity in the workforce and it's a lot different. There are a lot of women and people of color in all kinds of positions at TriMet.

So what does that say? The person at the top has to be on board and there has to be a commitment. If doesn't happen at the top, it's not going to work very well because it's not going to get enforced.

David Knowles: Moving on to the next question. With three major rail projects on the table for the region – streetcar, Columbia River Crossing and Milwaukie LRT (light rail transit) – how do we get funding? How do we keep projects from competing with each other for funds?

Tom Markgraf: It's interesting because we're looking at the transit portion of the Columbia River Crossing piece as a project that's actually a Washington project. We're not looking at it as a TriMet project. That's how we're taking that one off the table. C-Tran is going to be the owner/operator of it. I don't think TriMet can be the owner/operator of it because it's out of TriMet's jurisdiction, so that's how we take that piece of the equation off the table.

Richard Brandman: In the end, I think they don't really compete. We're fortunate in that the Columbia Crossing is a bi-state project and will have two states pushing for it.

It certainly will have a big push from the state of Washington and the Washington congressional delegation.

Milwaukie light rail is in a different place. It's an Oregon project. The FTA is used to Oregon projects. It's probably going to score well, so I think both of those projects will do very well. The streetcar is in a different category. It's not competing for that same pot of funding. Not that it's going to be easy to get, but that's an opportunity, rather than having all three projects looking at the same pot.

Olivia Clark: The Milwaukie light rail and the streetcar are very complementary because they'll share a bridge, a fabulous bridge. It's going to have bikes, peds, streetcar and light rail on it, and so they're very complementary projects.

Andy Cotugno: The federal situation Richard Brandman referred to is also a bit different today than it was before. When we had the South-North project, the reason it became the South-North project was because the feds had a one-quarter-at-a-time policy. So we created this rubric around, "Well, it's just one project. It's a big project, but it's just one project," and we convinced them to let us move forward on that basis. They don't have a one-quarter-at-a-time policy anymore. Getting multiple projects at the same time is a challenge, but they each compete on their own merits.

Olivia Clark: But, Andy, we did it with commuter rail and I-205.

Andy Cotugno: Yeah, we broke down those rules. So that's my point. Richard said they don't compete. Historically, the South-North was in a situation where the two segments were competing against one another and we tried to figure out a way to join them together to fit within that one-quarter-at-a-time rule. We've broken down those rules. We can compete for federal funds with three projects at the same time because they compete on their own merits.

Greg Baldwin: I'd like to offer perspective – not from one who goes to Washington, D.C. to get money – but from a perspective of years of experience. I would repeat something that Vic Rhodes said earlier today: money tends to follow good ideas in this community. We have built and designed projects during recessions, during times of double-digit inflation, during times when there's not been political support. The point is, we usually find a way to fund the project that's worthy. So the key responsibility is: make it very worthy, make it more important, and better than anything else that's happening at that time. Don't worry about the competition in terms of other transit projects. Just make it worth what it costs – actually, make it worth more than what it costs.

David Knowles: Next question. This might be a good one for Greg. What are the most important factors to get architects and engineers to take ideas from the community seriously?

Greg Baldwin: I don't want to sound flippant but the best idea should win and, very frequently, the best idea comes from the community. Create an environment that enables

the community to be a good, sophisticated designer in the process and treat it accordingly, and I don't think you'll ever be disappointed.

David Knowles: Okay. I'd like to ask you to volunteer, what's a lesson you've learned? What's something in particular you would do differently if you were going to continue doing this for another 20 years?

Olivia Clark: I look back and think, "Why didn't we ask for more on the payroll tax?" We thought it was such an incredible mountain to climb (and it was given all the factors – the anti-tax environment, etc.) but we actually got it. Well, instead of asking for 1/100th of a percent for each year over ten years, why didn't we ask for two? Why didn't we project out? I guess the message is: be bolder, be even bigger. We've done so many amazing things in this region, including the bureau tax and the Milwaukie light rail money. I don't know that we could have gotten more than \$250 million on that one, but I believe we can think bigger. Why not?

Neil McFarlane: There are a couple things that I wanted to mention in the line of thinking bigger and being a bit bolder. I often wish that we had put more attention into transit-oriented development sites in our past projects while we were siting, scoping and building the project. What we've tended to do is use anything leftover or any twofer opportunities we could find to seed the land use connection that we see is so important. I wish now we had done more of that upfront and actually put more money into that sort of program because of its importance in jump-starting the development around light rail.

The second thing I wanted to mention was brought up by one of our out-of-town guests related to the speed of the train through the central city. I think if we were looking at that whole alignment right now, we'd probably think pretty differently about the station spacing. I think we'll have it right on the Mall (*referring to the new Green Line that will run the length of the downtown mall*), as our stations are about four Portland city blocks apart, which is more than on the current Banfield alignment. One criticism we get pretty often is that it takes too long to go through downtown or there are too many stops along downtown. The future may allow us to make corrections if the community thinks that's okay, but it is something that – I think right now – we probably would have rethought.

Greg Baldwin: I have two thoughts: you just prompted me to think on the first one. I wish that we had tried harder to change the national criteria models by which the value of these projects are made. I know that's not Richard Brandman's full responsibility. I think it's also the designer's responsibility. An example would be on Mt. Hood Freeway, when we had to deal with the cost-benefit analysis. We changed the context. It was the first time that they'd shown a negative benefit and, henceforth, that model was basically useless. I wish we had been able to do the same because I think there's something disingenuous when we use a model as a measure of value when, in fact, we don't really believe that it's a proper measure of value. I don't think it's Richard's responsibility – it's not his sole responsibility, anyway.

The second thing that people have talked about is the endurance necessary to do what we set out to do as we try to maintain quality. I think this city and these agencies set very high design standards for the projects that they produce. As you fiddle with budgets and so on, they work consistently to make sure that those expectations are met. At the last moment, we often find things (for one reason or another) that aren't quite right. We tend to – and again, I fault the designers – run out of energy, so we just do it.

I'll give you a couple of examples for which I feel personally responsible: one is on the Banfield stairs. We worried about people touching the contact wires, so we put up some screens that are less than handsome. I did it because I wanted to demonstrate that it wasn't part of the design, it was really fixing a mistake. They're still there.

The other is in the Washington Park station where both Richard and Andy said that the integrity of the idea was not compromised when we took some money out of the project by simplifying the finishes. For the first three or four years, it looked fine. I really wish we found a way – in the context we were working within at that time – to maintain the finishes that were originally proposed. I think at the 11th hour, if we set out to build a Cadillac and then change it to build a Buick, we better deliver a Buick.

Tom Markgraf: The motto of my firm is: go deeper faster. That means go as fast as you can to the grass roots. I find if you do that as fast as you can, you will avert so many problems later on. I learned that when I got hired by Metro to go into Milwaukie when Milwaukie was melting down. I was asked to do ten coffees – to go talk to people on a one-to-one basis. Initially, I said, “No, that's crazy. It's already lost.”

Gina Whitehill-Baziuk had a vision and she said, “Just try it.” It worked. Eventually, I had 40 coffees and I talked for two hours to over 300 people. I learned two things at each one of those coffees. They only knew two things about light rail: they had no idea where it was going, and they knew that everybody in the community was mad. That was their premise.

After two hours of talking to them, they all said, “Well, that's okay. That's not bad.” Everybody believes that when we had the vote for South-North, we lost Milwaukie. Go back and look at the numbers. Milwaukie actually voted for it. I think those kinds of efforts – talking to people individually – make a big difference, so I promote that.

The other thing I learned on that project (and this is so uncomfortable for people – especially in nice, liberal Portland) was that the amount of racism within the community is huge. I am always stunned by that. It really is huge. I had guys in Milwaukie at every coffee who were very uncomfortable. The body language was like this (*arms crossed*), and it finally would come out at every single one, “I came to Milwaukie to avoid, you know, certain people.”

I would say, “You mean black guys.” And they'd say, “Yeah.” It was just stunning. I find that on every project, and I think it's something we've got to be aware of.

I am working on the Columbia River Crossing and a few weeks ago I took 30 people across for a tour of Interstate MAX from Vancouver. We had Coral Egnew help give the tour. Every person for several weeks afterwards was talking about Coral. Wow, she was amazing. So we talked about the importance of hiring people of color. That is so important for us because it begins to break down a lot of those barriers.

Andy Cotugno: I think we've learned something important about the alignments of each of these projects. The Banfield light rail is in a pretty challenging place down in the gulch next to the freeway when it's raining with the spray, and there's not a very attractive community around it. We're stuck with that. It was our first one. It was really the only apparent route to connect to Gresham. Maybe it was a necessity. On the next one, we were heading for the service alignment adjacent to the Sunset Highway. Can you imagine widening the Sunset Highway and building light rail next to it? It would create a monstrosity in that canyon area for no real reason. What community would connect to it on a surface alignment? So in that case, I think we learned from the first time and the tunnel decision was the right decision there.

At Interstate, we went back and forth between speed (adjacent to the freeway) and community (down Interstate Avenue). I think we landed in the right place going down Interstate Avenue, and I think that Portland staff and the community understand how to leverage it and they're doing a pretty good job.

I think that we've got our hands full making I-205 into a community-based project. It's not as intimidating as along the Banfield, but it's still next to a freeway. It's got communities closer to it than the Banfield does (because the Banfield has the gulch and the railroad), but we've got a challenge on our hands to make I-205 into an actual community, not just a freeway-based project.

With the Milwaukie project, we'll have a stretch along McLoughlin Boulevard, but it's important for us (*to connect to the community*) in other parts. I think the OHSU area is a really great opportunity, as well as OMSI, the Brooklyn Yards area, and Milwaukie itself. There are lots of places where we can do community-based alignments, not freeway-based alignments. That one stretch through McLoughlin is going to be a challenge. I think as we look forward to more alignments picking the kind of places that serve the transportation function (having as much speed as possible) but building it into the community is going to be important. Too many communities have sort of taken the easy route. The easy route may be easy from a construction cost point of view but it's not necessarily from the community point of view.

Richard Feeney: I think we shouldn't be afraid of what Neil called the bleeding edge of innovation. The low-floor cars for our Westside project really were a big delay, and they were what the community asked for. TriMet originally didn't want to do it, but the reason is because they turned it down once. The entire disabled community had been organized for the Banfield project under the leadership of some pretty knowledgeable and responsible people, and they recommended low-floor cars for the Banfield in plenty of time to do it. Even though we set up the committee to listen and have them give us

advice, we were too frightened and we turned them down. Later, we found out that we were able to manage it and it came in right where we thought it was going to be – it did not cost us a lot more money. We have to be more open to innovation and we can't be afraid of it. We should embrace it. If need be, we should always have somebody watching what is innovative and what's new.

Richard Brandman: I'd echo what Tom mentioned, which is to get into the community and get in there deep. If you cycle back 10 years to when we were planning for the first incarnation of the South-North, we got a lot of feedback from elected officials in Milwaukie, (none of whom are there now), who basically told us not to pay too much attention to some rabble rousers that were making a bunch of noise about the alignment. We had concerns about that both at Metro and TriMet. We were also being good team players with our government partners in Milwaukie. I think that became a very, very big issue to the extent that some of those elected officials faced recall petitions and some actually lost their jobs.

For me I think the lesson learned there is that you've got to work with your partners. You have to be as conscientious as you can be in working with and trying to accommodate your government partners, but in the end, you probably have to pay as much or more attention to the community desires. Make sure that if you're not proceeding down a path that they might agree with, you are at least holding their hand and telling them exactly what you're doing and why you're doing it. Try to build some trust as you go through the process.

David Knowles: I've got a question: the transportation mafia (*referring to former Mayor Vera Katz' comment that called regional leaders of the transit program the "transit mafia"*) and the art of the deal. What are the checks and balances for the good idea? There's a lot happening behind the scenes. Maybe it's not totally transparent. How do we really know this is a good idea even if a consensus is being achieved? What's the check and balance?

Andy Cotugno: I think the point of the term "deal" is how to strike the agreement that benefits the parties entering into it. Take Vic Rhodes' example of six signators to the Lloyd District. Well, the City of Portland was putting in money because they wanted something out of the package. Metro was putting in money because we wanted something out of the package. The property owners were putting in money because they wanted something out of the package. Every party to the deal is gauging what are they putting in and what are they getting back out. The whole is greater than the sum of the parts. All of the parties contributing to the deal produce a better deal, but they still are looking out for what are they getting back out. Metro put regional flexible funds into a light rail project because we're looking for something back out of that project. We're gauging, "How much should we be putting into the project?" versus "Is it realizing the kind of objectives that I'm looking for?" That's got to equilibrate with what TriMet is looking for out of the deal, and what Milwaukie, or Beaverton, or whoever is looking for out of the deal. All those pieces have to fit together.

There's an awful lot of public process through all this stuff, and so there's plenty of opportunities to do the checks and balances and do the vetting to make sure that what we're pursuing is what actually makes sense. If ABC is putting \$25 million into this project, then they go through their public process to contribute that money, and on and on down the line.

David Knowles: But what's the avenue for somebody, a citizen or a stakeholder, who's got a good idea that they think ought to be advanced through the funding process? How do they make sure that the folks who are at the grass roots working on this at TMAC are paying attention to those new ideas?

Greg Baldwin: Again (this is from a perspective of somebody who's a bit of an outsider working as a designer on these projects), I think that the best ideas are heard, they're assimilated and they're applied. No one is defensive. The conversation is sufficiently open, and those ideas that have merit are self-evident. But I want to agree with Andy. At the end of the day, if you're willing to co-invest (*pointing around the room*) in Portland, that's a measure not only of a good deal but of a good idea. I've had citizens say, "We'll contribute sweat equity to build this path, this connection. We will do this. We will do that." Everyone who really endorses the idea usually offers to invest in it one way or another.

Olivia Clark: Can I say something really quickly? I have a slightly different take on this. Somebody in the audience earlier said, "Well, other cities have sales taxes. You guys have to slog through this process." Maybe there's an advantage to us not having a sales tax. We do go through this long slogging process to put the pieces together to find each part of the deal, but what I'm hearing is that it makes it a better project. We have a lot more community ownership. We have to go through a lot more public processes to do this and it probably results in a better project. If everyone in the room had all the money, or if we had a sales tax and we were just going to design and do it, who cares? We have a lot more public involvement as a result, and we get a better project.

Tom Markgraf: I want to echo that. I was stunned when I was asked to go up to Vancouver, B.C. and talk about light rail. They haven't had light rail up there; they've had sky train. Things are different up there. There isn't the kind of public involvement we have here. You are told by the federal government what's going to happen and you just say, "Thank you, sir." They're very polite, but they have no input.

They had a number of us go up there and talk to a couple dozen neighborhood associations at once. There were 200 to 300 people in the neighborhood associations in an arena. They talked to us and we made our presentations. The lady with the government got up and said, "That's enough of that now. It's time for you to go," and they all marched out. I was expecting to be inundated.

You get a better project when you have the community involved. It's going to be interesting to see a community like Vancouver B.C. go through that process because

they've never done this before. It's kind of old hat in Oregon, and it's going to be an interesting wake-up call for those guys up there.

Richard Feeney: Well, I sort of agree with what Tom and others have said; but, frankly, we've offered up some pretty bad deals from time to time. We've offered up a deal that went together and it was, "Oh, wow, everybody's into it. It's going to be a great thing and it checks out with our ideology," and it got the entire city council recalled.

You have to check the ideology against political success. Political success is whether or not your boss is going to keep his job, and whether or not the elected official is going to get elected again. Don't sell those short. Those aren't stupid little things that stand in the way of the progress towards a greater ideology - this is what you're responsible for. If your boss is an elected boss or appointed boss and they come to a larger group with something that the public hates, you've made a huge mistake. Right? So it's got to be a playoff between ideology and political success, and that success can be very specific: are those guys that employ me going to be there tomorrow because of what I've said? Think about it. That's your job: to manage the political success of what you're doing.

Richard Brandman: My answer to the original question, which is "How do those good citizen ideas get into the project?" is, "This is Portland. We are just living on public involvement and good ideas. They come to us all the time." Karen on our team and Ann on TriMet's team are constantly out in the community with their teams getting ideas, and those ideas do come back to the projects. I'll just give you a quick example. Right now on Milwaukie light rail, we're studying all kinds of things we hadn't envisioned that we would study when we went into the project because the community came to us with new ideas. They could be new river crossings. They can be different alignments on streets in Milwaukie. Up and down the alignment there are new ideas, and the good ones make their way into the process.

Neil McFarlane: I would add to that just a couple of little things. Community is a broad word, but there are a lot of very specific elements of the community that you might not always think about. For example, I mentioned in my presentation the Union Pacific Railroad or, in the case of our west project, the Portland & Western Railroad or particular property owners along the line that need special handholding and dealing with. They all come with ideas, and they all come with interests that need to be reconciled with the overall project objective. It's part of our job to listen and to try to reconcile those different interests.

David Knowles: I have one more written question and then we have time to ask if there are other questions. It actually comes back to a question that Don Billin from Sound Transit asked earlier and it's about the bus system. How do buses fit into the total transit vision of the region given that two-thirds of TriMet riders ride the bus? More specifically to his question, which I think was posted to Andy, why not BRT (bus rapid transit)? Why light rail?

Neil McFarlane: I can start. We have been investing in the bus system. We have now a large number of what we call “frequent service lines,” which are our hard-working lines that have bus service at 15-minute headways or better all day long, Monday through Friday, as well as Saturday and Sunday. Compared to Seattle – which is a very different approach – we developed a fairly ubiquitous bus system, particularly in our near-end Eastside neighborhoods, as well as some other very productive routes for us around the region.

That is the core of our bus improvements over time. By the way, it’s seen a ridership increase similar to what we’ve experienced on light rail, so we’ve gotten good results from that and we hope to expand that system in the years ahead.

The bus system will always be the workhorse of the TriMet system. Even with the light rail lines that we have on the books right now and are hoping to develop, I don’t ever see a time when more than half of the riders on the overall system will be light rail versus bus.

The other thing that I would note is that these systems don’t conflict with each other. They complement each other. My boss, our General Manager, Fred Hansen, talks about the total transit system and it really is an important complementary system between bus and rail. Transfers are thought about very carefully and orchestrated to be efficient and convenient.

The other thing about light rail is that the operating cost per rider for light rail is less than it is for bus. So, actually, by implementing these light rail corridors, we actually are freeing up resources from the operating budget overall to improve bus service. In all of the corridors we’ve ever done – including most recently Interstate – as we put the light rail service into place, we also improved the bus service in the area. So they’re very complementary and have to be thought about together. It’s a total system, and they’re both important.

David Knowles: Anybody else?

Andy Cotugno: Now that we’ve almost built the plan of 20 years ago, we’re looking at the next generation’s plan and there are lots of other possibilities on the table. I think there are a lot more places that might make more sense for bus rapid transit rather than light rail. I think it makes sense that the first five or six lines are the backbone of the system. Those are going to be the highest ridership lines. That’s where the efficiency of operating cost per rider makes the most sense and just the sheer capacity makes the most sense. But after you’ve picked off that backbone and you start going into second- and third-tier corridors, some of those are going to make a lot more sense for bus rapid transit rather than light rail.

The BRT versus light rail debate, in my mind, makes more sense from the standpoint of, “Where is where each of those technologies is most appropriate?” rather than, “Why

didn't you do BRT in a light rail corridor?" A light rail corridor makes sense for its market. The BRT makes sense for a different kind of market.

David Knowles: Okay. Good. Any questions?

Voice in audience: I come from the Puget Sound region where we have a pretty elaborate HOV (high occupancy vehicle) system and that has helped the bus transit system quite a bit. I haven't heard a lot about that happening down here. I know we have the HOV lane between Vancouver and Portland. I'm just curious, is that something that you think about and that you're pushing or is that not something you're worried about too much?

Andy Cotugno: We don't see much prospect for HOV-oriented development.

Neil McFarlane: I'm also known, I guess, as the transit nerd here. I have a bias as to why, perhaps, HOV has not been successful here in this region. We tried it in a number of studies. When I first moved to the region, there was an HOV lane on Barbur Boulevard.

Andy Cotugno: And the Banfield.

Neil McFarlane: And the Banfield.

This is one of the Texas Transit Institute's measures of Portland – we have relatively short commutes. The difficulty of forming a carpool and going to the effort of finding a partner and doing the rigmarole associated with that for a short commute doesn't pay off. I think if you were in Los Angeles or even the Puget Sound, there are some markets where that makes a lot of sense. We do have some HOV use – some carpools or vanpools that form for some very specialized long distances like Salem to Portland (state government runs) – but I think as a general pattern, it doesn't feel like a solution that is right given our commute lengths and commuting pattern here right now.

Richard Brandman: Lastly, I'll just add that we're actually doing a lot of travel options that are not necessarily HOV, but we've had a "Drive Less, Save More" program. That program encompassed a whole lot of different things like trip chaining, shorter trips and trying to get people to think more and plan their trips throughout the day; as well as getting on transit, riding bikes, walking, etc. That program has actually had a lot of success. It's not just that people know that the program existed, but they actually changed their travel habits.

Voice in audience: My thinking in particular was that HOV systems provide a lot of speed and reliability for bus transit in Seattle. I was wondering if that was a concern that TriMet struggles with as our freeways get more congested.

Neil McFarlane: It's always a concern, but we address the issue in many other ways. Many of our routes are on arterials, as they are in Seattle. Frankly, we don't have a lot of long-distance freeway-based routes where congestion becomes a huge concern.

Related to our arterial system, we do use a lot of TSM (transportation systems management) measures and Opticon signal-progression issues. We've instituted a program with the city of Portland where anytime our bus is behind schedule, it gets a green light ahead of normal progression. So we've done many things in that regard, but our bread and butter and heaviest ridership routes are on arterials, not on freeways where you would benefit by that sort of improvement.

David Knowles: I want to thank the panel. It's this group that came up with the program today. In true transit-mafia fashion, it occurred around Feeney's dinner table over several bottles of wine. But the results, I hope, have been productive for all of you. Thank you very much.

We're now going to hear from the general manager of TriMet, Fred Hansen, who's going to provide a few closing remarks. I wasn't provided with a bio for Fred, but I think I have a pretty good idea of what he does. He's been the general manager of TriMet for almost 10 years. Prior to that, he was with the Environmental Protection Agency in Washington, D.C. Before that, he was the head of the department of environmental quality in Oregon.

Closing, Fred Hansen, TriMet's General Manager

Biography: Fred Hansen was appointed general manager of TriMet on October 5, 1998. He is recognized as a leader in the transit world, having lectured and participated on panels throughout the United States as well as around the globe. Prior to his appointment as general manager, Fred served as deputy administrator of the U.S. Environmental Protection Agency. Previously, Fred directed the Oregon Department of Environmental Quality from 1984 to 1994. He also served as Oregon's deputy state treasurer, executive officer of the Peace Corps and as chief of staff to a member of Congress from Oregon. Fred earned a master's degree from McMaster University and completed a year of doctoral work at the Johns Hopkins University.

Fred Hansen: Well, thank you. I'm going to share a story with you that underscores at least some of the messages you've been hearing today – and certainly one of the messages that I want to leave with you in closing.

It happened to me a number of years ago when I was with the U.S. Peace Corps. I was a staffer visiting some volunteers in Morocco. We'd gone out to dinner, and I came out of the dinner and got into a taxi cab. Using my best French, which is their principal European language, I instructed the taxi driver where my hotel was.

He said something to me. Apparently, it was in French but it was incomprehensible. At which point, I merely repeated my instructions – but a little bit louder. Once again, he said apparently the same thing, but once again, it was equally incomprehensible to me. So for the third time I gave him my instructions, at which point he threw up his hands in disgust, made a U-turn, stopped the taxi, turned around and in perfect English said, "There is your hotel, monsieur."

I share the story because I think that too often we minimize what communication is. Just a few minutes ago, Tom Markgraf talked about how in Vancouver, British Columbia (and many other places), communication is hearing and then saying, “Thank you,” and going off and doing what one wants to. I think this story says that merely repeating what we have said all the way along – but louder and louder – isn’t communicating. It’s really about finding that common ground rather than battleground. In the last panel you heard a little bit about the response to deal making and how people really participate. I think the issue is that if you’re looking for that common ground, really listening and trying to find it, you’ll make great progress.

I want to be able to touch upon a couple of items that I think are very important. I joined TriMet a month before the defeat of the bond measure in 1998. Larry Hilderbrand, who was the then-editor for transportation for the *Oregonian*, noted to me that I’d been here only one month and proceeded to make sure a bond measure was lost for light rail. Fortunately, he was joking, but it kind of underscored what was happening at the time.

The very next day, Andy Cotugno, Richard Brandman, Dick Feeney and I got together to begin talking about what were we going to do. There were some politicians (at least one of note) who referred to the fact that after that vote, light rail was dead, dead, dead. It was quoted as such. The point is that it wasn’t. And it wasn’t because of a lot of work by some of the people in this room and many others. The challenge is: how do you in this room – the next generation – make sure that when you face the challenges you’re facing, you find ways to get through it? I think some of the lessons that you’ve heard today are a part of it, but I want to emphasize a little bit more.

When I was selected to be general manager of TriMet, the head of the recruitment committee (a special committee created by the TriMet board) was a long-time friend, Dick Reiten. At that stage, Dick was really the dean of the business community here. At the time that he asked me to join TriMet on behalf of the board, he promised that anytime I needed help from him, he would be willing to step up. This was when he was still president and CEO of Northwest Natural Gas with a lot of other responsibilities. Little did he know that a mere month away, I would be coming back to him with a defeat.

I learned an important lesson within the Clinton administration, because there are very few individuals who have been as successful in being able to control the debate by framing the issue, and that’s certainly what President Clinton did. In this case, we had to think about how to frame the issue. What were the problems? Why did we have to move ahead? We had to leave aside the obvious: that property taxes were something that people were not very excited about, and that people didn’t know where Kenton was. Having been born and raised in Portland, I didn’t quite exactly know where Kenton was either, so I can’t blame too many people on that. We didn’t have the story down very well.

The group of us that got together recognized that we had to begin framing this in a different way than it had been framed before. We had to go to Dick Reiten and ask him to take it from a business community standpoint. We had to be able to say, “We cannot walk away from building out our system in this region. We cannot walk away from the amount

of federal dollars that are there, and we must recognize how important it was to the business community.” That allowed us during an anti-government period to be able to really frame it as: not government pushing this down the throats of wherever it might have been, but rather a call from the business community – led by Dick Reiten – to begin making that work.

Combine that with the work that was done by then-Metro Councilor Ed Washington, who was really going out and doing the yeoman work in neighborhoods. He was doing incredible amounts of things to pull together people and make sure they had a role to play, and that they could call upon us. Somewhat behind the curtain – and I don’t mean that to be too pejorative – but some of us really made sure that when we were asked to think about this project in a different light, that we were able to do so. (There are a lot of other players that pulled together and created the ability to move ahead with Interstate MAX. You heard from some of them earlier.)

The point that I want to leave you with is that there isn’t one formula that works in all situations. You have to be adaptive. You have to find the situation that takes different pressures and different approaches and put them together. In many ways, that’s what TMAC has done. I think the presentation you heard from Dick Feeney underscores that you have to have a framework in which you can pull those different competing forces together. That is what we’ve been able to do so very well in this region. I think that really is important.

Today it isn’t about the business community being the lead on a particular issue. It may come again. That’s critically important. Not to say they’re not an important player, but it wasn’t the same as in 1998 and 1999 when we really had to have them call upon government to deliver a governmental service. Realize that each time there are different situations, and your role must be to find ways to address those.

Just for a quick second, let’s make certain that you hear the clarion call from me, and that is that you must step up to the mark. As those of you with gray hair step back from the fray, you (*the audience*) have to be willing to step into those positions – as the general manager of TriMet, as the executive director for capital projects at TriMet, as the lead planners at Metro – and to be the key people in a whole host of areas. That must be done by developing your skills and by being thrown into more and more positions that require you to be able to expand, to grow and to be challenged.

I look out and I see Meghan Oldfield and realize how exciting it is that we were able to have her spend a sabbatical in South Australia. From my perspective, to watch Meagan come back, I saw a changed person. I saw a person who had grown dramatically during that period and excitingly so.

We need to be able to make sure that we find ways to challenge all of you, to develop you, to bring you along further so you can take over these key responsibilities.

David Knowles: That was a terrific summary, Fred. Thank you very much. I think it’s a

terrific example of how leadership at the top of these agencies is critically important to how the mission is performed. It's because of Fred that so many good folks at TriMet are working there now. I want to mention a few of them who have been instrumental in helping make this day happen.

Beginning, of course, with Ann Becklund—we owe it to her. She organized this thing. The community affairs department at TriMet is just absolutely amazing. As Neil said, it's both embedded and empowered to do good work. Her staff includes Diane Goodwin, Kelli Fields, Patricia Williams, and Stephanie Ratcliffe. I think that's everybody, but for the rest of the staff who I didn't mention, thank you very much for your hard work.

On behalf of all of us who put this together, I also wanted to thank Jenny Kincaid and Rob Bertini for being part of the partnership that put this session together. We worked for a long time to make it happen.

And I also want to thank my colleague, John Lackey, who is one of the founding fathers of this series of seminars on light rail that we've been doing with TriMet and with PSU.

I just want to summarize a couple of things I heard today – a couple of take-away statements. Hopefully, these are things you'll take with you as you think about how to shape the future of transportation:

- A deal is a deal.
- Don't accept the rules.
- Create and nurture relationships so that people trust each other.
- Listen to the community.
- Be open to innovation.
- Land use, do it right.

Thank you all for your questions and your participation.