
NORTHWEST STRATEGIES inc.

MEMORANDUM

TO: Geoff Larkin
FROM: Len Bergstein
SUBJECT: Final Report - I-5 Oregon Interviews
DATE: September 15, 2004

Attached is a summary, by question, of the interviews with eleven Business Community Leaders conducted by Northwest Strategies in August 2004.

As you know, we interviewed the Chair of the original Task Force, Henry Hewitt, and the former Chair of the Oregon State Transportation Commission, Steve Corey. The remaining nine interviewees were "new participants" and included representatives from large business (Columbia Sportswear, Schnitzer Investment Group, NW Container Services), utilities (Northwest Natural Gas), publishing (Community Newspapers), state government (Department of Agriculture) and medium size/service businesses (Stoel Rives LLP, Wells Fargo Bank, Quicktrak).

In this memo I have provided a synopsis of key points by question and "six key things to think about."

Key Points by Question:

- #1. Mixed reaction on **how closely followed**. Generally knew there was a Task Force, an agreement between Washington and Oregon to work together and there was a sense of progress.
- #2. **Description of project** became fuzzier. There was not much specific knowledge about proposals for bridge or highway improvements.
- #3. **Sense of status/progress** was that there was a general progress on strategic plan. However, there was no sense that "we are here in a x year process".
- #4/6 **Priorities for road improvements and transit improvements** – most believed that a balanced approach was best for the region because of the distrust between transit and road advocates re sequencing. The majority of interviewees felt that freight mobility solutions were most important although some believed that commuter congestion was equally significant.

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#5. **Impact on the economy.** Most interviewees understood the issue in “global terms” and saw I-5 as an international route, linking from Mexico to the Canadian boarder, and uniting the economies of Washington and Oregon.

#7/8 **Which organization best positioned to lead** – depended on experience that respondents had with either ODOT or WSDOT. ODOT seen as more competent on bridge/rail work; WSDOT on road improvements. Majority agreed that we need a new bi-state organization, lead by the two Governors.

#9 **Realistic/equitable funding** – Tolling, the feds, a special taxing district were the responses. Without a major new source, this would be an incremental project, constantly competing with local priorities.

#10. **Non-traditional approach** – There was a mixed response depending on whether the interviewee had direct experience with this type of approach. Several mention that there must be competitive bidding if this approach was chosen.

Six Key Things to Think About:

1. This is a high stakes project. Think beyond bridge and road improvements – develop a creative new structure that encourages bi-state cooperation.
2. Federal funding should play a predominate role because of significance to interstate system and interstate commerce.
3. Scope of project presents opportunity to re-engage a broad spectrum of stakeholders (business and neighborhoods).
4. Just fixing the roads won't fix the real problem. We need to link transportation and industrial lands decisions. The distribution centers are not in synch with the exporters. Fifty percent of containers on the highway are moving empty.
5. A public/private project has its risks. But if the public interest is properly protected, this approach can provide the most creative way to manage the project and address project financing.
6. This is a political process and a high level of engagement is required with governors, congressional delegations and community leaders in both states. A message strategy that informs and persuades the public is a necessary ingredient of a successful strategic plan for the project.

Stakeholder Interview Summary Washington State Department of Transportation Columbia River Crossing Project

In an effort to gauge community expectation regarding the role of the Washington State Department of Transportation (WSDOT) in the I-5 Corridor River Crossing Project, The JD White Company, Inc. was engaged to conduct a series of stakeholder interviews on the Washington side of the river. About half of the interviewees were former members of the I-5 Trade and Transportation Partnership (Partnership), with the balance being local "opinion leaders" including business leaders and elected officials or their representatives.

Two sets of questions (attached) were developed, one customized to members of the Partnership and one for those who had not been involved. The primary objectives of the interviews included:

- Assessing the person's general knowledge of the planning efforts to date
- Assessing their recollection of what the strategic recommendations were from the Partnership
- Determining the credibility level of WSDOT
- Inquiring as to feasible financing approaches
- Determining the likelihood of the emergence of private sector leadership
- Determining the role of transit in the project and political issues associated with it
- Exploring concerns about an "unsolicited proposal" coming forth.

The interview group should not be viewed as any kind of scientific sample or broad community spectrum. The intent was to get better knowledge about where the business community and key elected officials stood relative to this project. The interviews were conducted in early and mid-March, 2004. Each interview was scheduled for 45 minutes and most were completed within that time. The interviewees were promised anonymity to the extent that no quotes would be directly attributed.

Key Commonalities

Virtually every person interviewed provided the following observations:

It's time for action.

The private sector typically doesn't understand and has little tolerance for protracted planning processes for projects like this. People interviewed understand the impending transportation crisis. There is anxiety about the ability to – as one person put it – "turbo charge" this effort and make it happen in a shorter time frame.

Freight mobility might be getting lost in the process.

Many were familiar with the fact that freight mobility was the initial issue that pushed the Partnership effort. Some expressed concern that if that issue is still paramount, it is not clear to the outside audience. Some of this stems from a sense that the Ports (Vancouver and Portland) did not find appreciable improvement to their transportation challenges through the Partnership's work, either in the form of a "port to port" truck bridge or rail improvements.

Transit must be integrated into the solution.

There was virtually no disagreement that transit must be integrated into the river crossing solution. The mode of transit was a bit less clear. Although many interviewed supported light rail extension, at least

into downtown Vancouver, there was concern that light rail could become a lightning rod for opposition bringing the entire river crossing project to a halt. Ideas for avoiding that ranged from picking a different transit mode (bus rapid transit was mentioned) to staging the project so that the highway piece would move ahead first and transit – in some to-be-defined mode – could be retrofitted after subsequent discussion and analysis.

There is concern over the priority of this project in Oregon.

The view of interviewees of Oregon's (state and local government's) interest in this project is clouded by what is perceived to be a slow pace on the Delta Park freeway widening. Many wondered aloud about whether this project is really much more significant to Washington than to Oregon and, if so, whether Oregon is really willing to push ahead in an aggressive manner.

Private sector leadership must be developed.

There was a strong consensus that without strong, consistent and out-spoken leadership from the private sector, any near-term delivery of this project is doomed. Identity Clark County (ICC) was mentioned frequently as a "home" from which private sector leadership might emerge. Many interviewees made a specific point that private sector leadership needs to be defined not just as business but should include neighborhoods and not-for-profit interests as well.

WSDOT should have a significant leadership role.

Many participants are aware of the fact that the DOT's own the roadway. As a result, there is a clear expectation that they will be leading and, therefore, accountable for delivery. WSDOT has very high credibility with this group currently which, in part, appears to be the result of the very aggressive positioning of the "It's your nickel" campaign and commencement of those projects.

Tolls are expected.

Only one person believed that tolling of both bridges was not a viable alternative for financing. Many of the more conservative business leaders saw it as a "user pays" approach that is fair. Many saw the opportunity to tax through (non-resident) traffic so that "outsiders" help pay for improvements. A key assumption in this support, however, was that the technology implemented would provide for mostly free flowing movement – not throwing money in a basket. The one negative reaction was based on concern that a toll would be disproportionately unfair to lower income workers. Once that concern surfaced, the remaining interviewees were specifically asked if that was a concern to them. All said no, since there would be alternatives (transit) available that would be more equitable.

An unsolicited proposal would be welcomed.

The interviewees described the likely need for non-traditional approaches to funding and construction. The term unsolicited proposal was defined as a private sector proposal from a private sector vendor. The question posed was whether such an approach created any concerns, including the potential loss of public trust due to a private sector lead. There was little concern over the potential loss of public trust which was based on assumptions about the due diligence the agencies would perform and the safeguards that would be put in place. The general sense was that such an approach would be faster and cheaper to complete than a traditional government managed process.

The community must have a unified voice on direction and process.

I-5 Bridge Crossing Interview Questions

Former Task Force Members

1. As you concluded your work with the I-5 Task Force, what were your expectations of the next actions and the timing of them?
2. Who did / do you see as having both the capacity and leadership competence to lead the next steps?
3. How would you characterize the current status of the bridge crossing project?
4. The Task Force ultimately landed on a solution that included both road improvements and transit improvements. Do you believe that both were balanced in terms of the priority they received?
5. Was freight mobility given its due in the final recommendation?
6. Having had 18 months to reflect back on your work, what one or two recommendations do you consider to be most important?
7. What messages do you believe were most successfully communicated to the public as a result of the Task Force process?
8. What have you thought or heard about with regard to the most realistic and equitable funding structure for replacing the bridge crossing?
9. Given the magnitude of this project, there is likely to be a need for non-traditional approaches to funding and building. Does that give you any concerns? Are you aware of a so-called "unsolicited proposal" for the bridge replacement project from a private sector vendor? [If not, explain w/o specific names.] Do you believe that would be a wise option for WSDOT to examine? Do you believe that it is possible to protect the public trust in such an arrangement?

Other Interests

1. How closely have you followed the planning effort for the I-5 bridge crossing project?
2. How would you describe the project in terms of what it is actually proposing?
3. What is your sense of the status / progress of the planning for the project?
4. The Task Force ultimately landed on a solution that included both road improvements and transit improvements. Do you believe that both should be equally prioritized or should one take precedent over the other?
5. Over the long term, how do you see the bridge crossing impacting the economy of SW Washington; the state of Washington; the western US; the US?
6. What role does freight mobility play into question #5? Has it been given its due in discussion of regional transportation challenges?
7. Of the organizations that have a critical role to play in this project – ODOT, WSDOT, RTC, Metro – which do you believe is best positioned both in terms of capacity and competency to lead this project.
8. If you have insufficient information to answer #4, what skills would you want to make sure were in place regardless of who leads the effort.
9. What thoughts do you have with regard to the most realistic and equitable funding structure for replacing the bridge crossing?
10. Given the magnitude of this project, there is likely to be a need for non-traditional approaches to funding and building. Does that give you any concerns? Are you aware of a so-called "unsolicited proposal" for the bridge replacement project from a private sector vendor? [If not, explain w/o specific names.] Do you believe that would be a wise option for WSDOT to examine? Do you believe that it is possible to protect the public trust in such an arrangement?

This observation came most strongly from the offices of federal elected officials. No one expects a project of this magnitude to be devoid of some controversy, but there is a clear expectation that the project design and the process used to develop it must have the clear backing of local governments, the states and the local citizenry, including both neighborhood and business interests.