

W.15.a

MEMORANDUM

October 19, 2005

To: Board of County Commissioners

From: Tom Stinchfield, Transportation Planning Engineer

Subject: Supplemental Information for Item #15 a, October 19, 2005 Agenda:

WORK SESSION/Connect Oregon. (Julie Rodwell, ODOT) (30 min.)

Attached are materials provided by the Oregon Department of Transportation (ODOT) for the Connect Oregon worksession. This is an information item with a power point presentation by Julie Rodwell, ODOT Freight Mobility Manager. No public hearing or action is scheduled for this item.

Attachments

A one page sheet with examples of eligible projects

A seven page Fact Sheet answering questions about Connect Oregon

A copy of the power point presentation explaining Connect Oregon

ConnectOregon - a new investment for all Oregonians

Oregon's infrastructure consists of 6,640 bridges, 66,000 miles of roads, 2.88 million licensed drivers, 96 general aviation airports and an international passenger and cargo airport, commercial trucks that travel 2 billion miles on Oregon's highways annually, two major intercontinental railroads, 19 shortline railroads, 2,413 miles of railroad tracks, and 23 deep and shallow draft ports that export more than \$14 billion worth of U.S. products to world markets annually.

ConnectOregon is a funding initiative that will enhance the connections between rail, aviation, marine, and transit systems to benefit rural and urban Oregonians and businesses throughout the state.

The following are examples of *ConnectOregon* projects that might be appropriate for funding:

- Installing rail turnouts and building spurs at a sawmill would permit rail receipt of logs and shipments of woodchips. A proposal such as this could create local jobs and substantially increase the number of carloads of wood for one or more Oregon companies annually.
- Constructing an aircraft maintenance building at a city-owned airport might give a small community an opportunity to compete for regional passenger service, and could provide additional aviation-related business and job creation. New and rehabilitated runways, taxiways and hangar access and approach lighting systems would benefit every public use airport in Oregon.
- Building a transit maintenance and operations center might better serve the senior population in a rural county.
- Improving the ability to transfer freight between the Columbia River, rail, and highway by improving the marine area and road access, purchasing a crane, and constructing a building could support jobs associated with warehouse operations and moving commodities and enhance the ability of a Columbia River port to handle more traffic.
- Constructing a multimodal center in a small, rural community could bring together Greyhound bus services and local transit service, improving connections for Oregonians that rely on public transportation.
- Improving congestion and adding capacity to rails that bring freight and passengers from northern, eastern, and southern Oregon could restore service capacity and efficiency to the system, improve on-time performance of freight and passenger trains, and maintain economic vitality.



The logo for ConnectOregon features a stylized map of Oregon above the text "ConnectOregon". The map is a solid black shape with a white outline, and the text is in a serif font. A thin black line arches over the map and text.



ConnectOregon – 10/07/05 Update

What is ConnectOregon?

ConnectOregon is a lottery bond-based, \$100 million legislative initiative to invest in air, rail, marine, and transit infrastructure to ensure Oregon's transportation system is strong, diverse, and efficient.

Who ultimately benefits from ConnectOregon projects?

All Oregonians will reap the benefits from enhancing Oregon's transportation infrastructure. Residents and businesses, as well as the environment, will benefit by having a more efficient, productive transportation system that improves Oregon's business environment, ultimately leading to more jobs and a more sound economy.

Will ConnectOregon benefit only urban areas?

No. Projects in all parts of the state will be considered for funding. Senate Bill 71 (SB 71) requires that at least 15 percent of the funds be allocated in each of the five regions (regions are geographic groupings of counties; see web site for map, <http://www.oregon.gov/ODOT/COMM/CO/index.shtml>). This means that 75 percent of funds will be distributed regionally.

What is an "emergency rule?"

An emergency rule is temporary, meaning it has an expiration date. It is usually replaced by a permanent rule.

Why is there a sunset date of 2012?

The sunset date of January 1, 2012 only applies to Section 7, regarding transportation projects built on Port of Portland property in Troutdale and not other sections.

What will ODOT's communication & outreach efforts accomplish?

ODOT intends to keep interested parties informed of opportunities provided by the legislation for participation as well as involvement in the decision-making process.

Who are some of the key stakeholders in ConnectOregon?

Key stakeholders include representatives and advisory groups from the eligible transportation modes, freight shippers and carriers, business organizations, municipalities, and the environmental community.

What communication channels will be used?

Informational meetings with interested parties are being held throughout the state. A *ConnectOregon* web site that contains background and current information is available through the ODOT web site. ODOT is also maintaining a list of individuals and groups who want to receive regular e-mail updates; information about how to get on the mailing list is on the *ConnectOregon* website.

How can I keep current on progress or changes in this program?

The *ConnectOregon* website (<http://www.oregon.gov/ODOT/COMM/CO/index.shtml>) will contain updates as well as other important information. You may also contact ODOT by email at connectoregon@odot.state.or.us and ask to be added to the electronic mailing list for Connect Oregon.

What criteria will be used to evaluate projects for *ConnectOregon* funds?

SB71 provides criteria that the Oregon Transportation Commission (OTC) shall consider in evaluating project applications:

- Whether the project reduces transportation costs for Oregon businesses;
- Whether it benefits or connects two or more modes;
- Whether it is a critical link in a statewide or regional transportation system;
- How much of the cost can be borne by applicants;
- Whether the project creates construction and permanent jobs in the state; and
- Whether the project is ready for construction.

Are projects that can be funded by fuel and motor vehicle tax revenues eligible for *ConnectOregon* funding?

No. Projects eligible for funding from the Oregon State Highway Fund, i.e. fuel taxes and motor vehicle taxes, are not eligible for *ConnectOregon* funding. However, funds from other state sources may be utilized. If a highway or public road element is essential to the complete functioning of the proposed project, applicants are encouraged to work with their ODOT Region, city or county to identify the necessary funding sources.

Can a publicly owned road be part of a *ConnectOregon* project?

Yes, but no *Connect Oregon* funds can be used for improvements that are otherwise eligible to be funded by fuel and motor vehicle tax revenues.

Can *ConnectOregon* funds replace existing and/or previously identified project funds?

No.

The bill says “Transportation Projects” are eligible for funding. Does that include all the modes and types of projects and facilities defined in the ORS?

No. Only rail, marine, aviation, and transit projects are eligible. Bicycle and pedestrian projects, for example, are excluded. Note that the bill refers to “transportation projects.” Operating costs are not eligible.

Are capital equipment purchases eligible projects?

Yes.

Will applications be considered for a combined government and private project?

Yes.

Will my project’s chances be increased if I break it into smaller projects?

If a project can be phased or broken into smaller pieces that still function effectively and provide a benefit to the transportation system, then yes—smaller, less expensive projects *may* be more competitive than larger, more expensive. If a project can be “phased” and turned into several different applications, each application should clearly state how it is related to the other applications so that Oregon Transportation Commission (OTC) can understand the relationship when it selects the projects.

May I submit multiple project applications?

Yes.

How will I fare if my project is not yet fully funded?

Documentation of how the entire project will be funded must be submitted with the application.

What process will be used to submit a project for *ConnectOregon* funding?

All project applications, including those for aviation projects, will be submitted to ODOT. Senate Bill 71 directs ODOT to adopt rules specifying the process to apply for loans and grants for projects. It is expected that applications will open in late November and close in mid-January. Interested parties should watch the ODOT web site and add their names to the ODOT e-mail list of updates and notification: <http://www.oregon.gov/ODOT/COMM/CO/index.shtml>. E-mail contact list – tell us at connectoregon@odot.state.or.us that you would like to be on our e-list.

Will ODOT and/or the Aviation Board perform an initial assessment on project applications?

Yes. ODOT will initially screen all projects for completeness, reasonableness, and financial viability.

Will ODOT assist applicants in the project submission process?

ODOT will not provide assistance to applicants since ODOT is administering the project selection process.

Should I obtain letters of support for my project?

Yes. Letters of support from community and business supporters as well as affected local governments or Area Commissions on Transportation will be helpful to the OTC as they make their decisions.

Are design costs eligible for project funding?

Yes. All costs directly related to completing a project are eligible, if the project meets the selection criteria.

How can I follow up on a project's application status after it has been submitted?

Information on all projects under consideration will be posted on the *ConnectOregon* website.

What process will be used to select a project for *ConnectOregon* funding?

The Oregon Transportation Commission (OTC) will solicit project recommendations from the Oregon Aviation Board, Oregon Freight Advisory Committee, and public transit and rail advisory committees. A public hearing is planned for May 2006 where any member of the public or interested party may provide comment on *ConnectOregon* projects to the OTC before the Commission makes its project selection decisions.

When will projects be selected?

ODOT anticipates that the OTC will approve a list of projects for funding in June 2006.

What if \$15 million worth of projects are not submitted for every region?

Given the need for transportation system improvements throughout the state, ODOT anticipates that each region will submit at least \$15 million in project requests.

Must projects be initiated by the designated advisory groups?

No, submission of eligible projects is open to any entity whose project fits program criteria.

How much time will the advisory boards and committees have to evaluate applications?

ODOT expects to post information on all project applications that are found to be complete and eligible on the *ConnectOregon* web site by early February 2006. The advisory organizations named in Senate Bill 71 will have approximately eight weeks to make project recommendations.

How will projects from different modes be fairly compared and evaluated?

The Oregon Transportation Commission will consider the projects that are in the best interest of the state's transportation system.

How will marine projects be selected?

Marine projects will be given the same consideration and go through the same process as other projects; all applications will be received by ODOT. There is no specific marine advisory committee listed in the bill, however, there are many groups and stakeholders (e.g., Area Commissions on Transportation) not named in Senate Bill 71, and ODOT encourages these various groups to discuss and consider potential projects. Since information on all applications will be publicly available on ODOT's web site, any stakeholder or group will have the same basic information as the four advisory groups named in Senate Bill 71. The Oregon Transportation Commission will select all projects.

How will Area Commissions on Transportation be involved in project review?

Senate Bill 71 did not define a role for Area Commissions. However, it would be ideal for Area Commissions and the Metropolitan Planning Organizations to work with potential applicants to identify projects that will be good candidates for *ConnectOregon* funding. The Area Commissions can play an important role in working with project applicants and interested parties in their regions to help shape regional priorities.

Who will administer *ConnectOregon* funds?

The Oregon Department of Aviation will oversee and administer funding for all aviation projects. ODOT will be responsible for administering all other projects and funds.

Will the entire \$100 million in project funding be available to applicants at once?

No, funding will be provided to project applicants on a reimbursement progress payment basis. Exact terms will be negotiated with each project applicant.

Who will determine if a project will be funded by a grant or loan?

Applicants should state their preference, but the Oregon Transportation Commission will ultimately decide.

Will project applications be accepted for a grant and loan combination?

Yes.

What if a project provides benefits to multiple regions?

Depending on the circumstances, the Oregon Transportation Commission may "credit" a project to multiple regions if appropriate for purposes of meeting the requirement that each region receives the minimum of 15% of funding. The project location will normally be attributed to the region where the physical improvements are located.

What is the matching funds requirement?

ConnectOregon legislation directs the OTC to consider how much of the project cost can be borne by the applicant. Grant recipients must provide at least 20 percent of project cost in matching funds.

Can Federal funds be utilized as matching funds?

Yes.

Will "in-kind" services or other non-monetary resources count as required matching funds?

No. Senate Bill 71 states that the minimum 20% matching funds must consist of money. Matches above the 20% level can be in-kind or from other non-monetary sources.

Will Federal NEPA requirements apply?

National Environmental Policy Act requirements will apply if it is required by the Federal agency involved in the project.

Can *ConnectOregon* funds be used in combination with a variety of other funding sources to complete a project?

Yes. The funds can be used in combination with federal, state, local, and private sources to finance the project.

Can estimated operational revenues for the built project be used as matching funds?

No, and the applicant will need to demonstrate that funds to operate the project or facility are available.

Is there a timeline in Senate Bill 71 that says when funds must be spent on awarded projects?

No. However, how soon a project can be constructed is one of the criteria that the Oregon Transportation Commission will use to evaluate projects for funding.

What are the loan term, interest rate, and payback schedule on project loans?

Loan terms and conditions will be negotiated as part of the underwriting process.

Are loan project applications required to include matching funds?

No.

Are there other unique requirements for loan applications?

Yes. Loan applications must meet reasonable credit underwriting standards, including evaluation of project feasibility and risk, repayment capacity, collateral, and the applicant's fiscal performance and operational capacity to manage the project.

Who will manage the physical construction of the selected projects?

The applicant is responsible for constructing its project, including obtaining all required permits and approvals.

How are unavoidable cost overruns to be handled?

Once a project has been selected, the applicant is responsible for completing the project as proposed for the funding provided. There is no provision for the applicant to receive additional funds if project costs are higher than estimated. The applicant will be responsible for making up any funding deficiency. If the project cannot be completed with the funds allotted, the OTC may cancel the project and award the funds to another project.



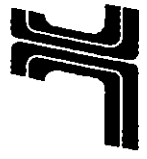
Oregon Department of Transportation



Connect Oregon

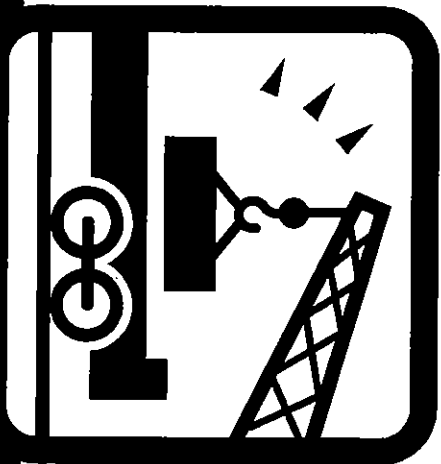
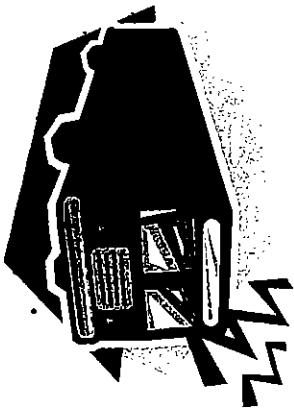
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September 2005



Connecting Modes

- Trains
- Planes
- Ships/barges
- Transit





Multimodal Program

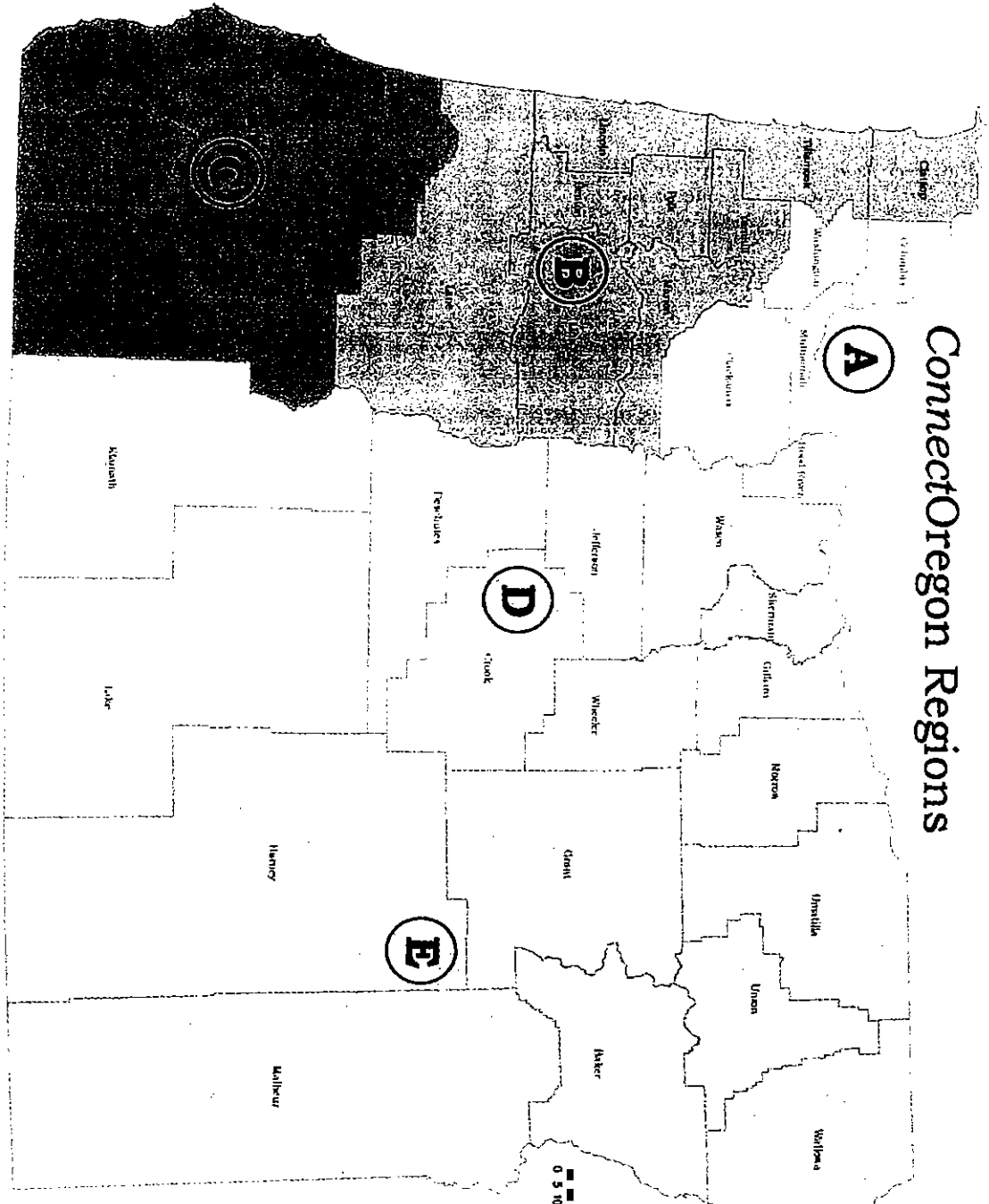
- \$100m program from Lottery-backed bonds
 - \$15m for each of five regions (county groupings)
 - \$25m not allocated by area
 - Not for highway projects
 - Capital infrastructure focus



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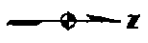


Connect Oregon Regions



Legend

- Region A
- Region B
- Region C
- Region D
- Region E
- County Boundary

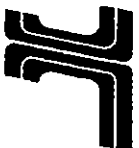


Map Date: 10/15/04



Grants and Loans

- Program includes both grants and loans
- Grants require 20% match
- Projects with larger match will be higher priority
- Loan details being developed



Process

- Oregon Freight Advisory Committee – recommends freight projects, including marine and port projects
- State Aviation Board – recommends air projects
- ODOT Rail and Transit Advisory committees – recommend rail and transit projects
- Oregon Transportation Commission selects all projects



Timetable

- Outreach to stakeholders begins September-November 2005
- Rules and application packet late November 2005
- Applications due mid-January 2006
- Advice from boards and committees February – March 2006
- ODOT compiles recommendations for OTC action – April 2006
- OTC project selection – May 2006



Project Criteria

- The OTC shall consider these six project criteria:
 - Whether project reduces transportation costs for businesses;
 - Whether project benefits or connects two or more modes;
 - Whether it is a critical link, measurably improving utilization and efficiency of the system;
 - How much of cost is being borne by applicant for grant or loan;
 - Whether the project creates construction or permanent jobs; and
 - Whether the project is ready for construction.



Managing the Projects

- Reimbursement basis
- OR Dept. of Aviation will oversee aviation projects
- ODOT will oversee all others



Outreach

- Public Transportation Advisory Committee
- Governor's ERT (Economic Revitalization Team) Coordinators Meeting
- OECCDD Legislative Review Workshop
- LCOG Policy Board
- Oregon Planning Institute
- Aviation Board Meeting
- Pacific NW Assoc. of Rail Shippers
- Ports/OECCDD Meeting
- Associated General Contractors
- Pacific Northwest Waterways Association

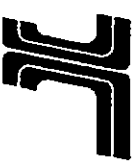


Outreach (cont'd.)

- METRO
- Association of Oregon Counties
- Local Officials Advisory Committee
- Motor Carrier Transportation Advisory Committee
- MPO Consortium
- MPO/Transit District Meeting
- League of Oregon Cities Annual Conference
- Assoc. of Oregon Counties Annual Conference
- Portland Freight Committee
- **Your group**



Oregon Department of Transportation



For More Information

Julie Rodwell,

ODOT Freight Mobility Manager

503-986-3525

julie.f.rodwell@odot.state.or.us

ODOT Web sites (info, list serve, fact sheet, etc.):

<http://www.oregon.gov/ODOT/COMM/>

[Connector fact sheet.shtml](#)

<http://www.oregon.gov/ODOT/COMM/CO/index.shtml>

E-mail contact list – tell us at

connectoregon@odot.state.or.us

that you would like to be on our e-list.