



Oregon

John A. Kitzhaber, M.D., Governor

Department of Transportation

Director's Office

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DATE: February 2, 2012

TO: House Committee on Transportation and Economic Development

FROM: Jerri Bohard, Interim Deputy Director of Operations and
Transportation Development Division Administrator

SUBJECT: HB 4020 and HB 4028

INTRODUCTION

In 2005, the Oregon Legislature created the Multimodal Transportation Fund codified under ORS 367.080-086. The fund is part of what became known as the *ConnectOregon* program for transportation investments in aviation, marine, rail, and transit improvements. The 2005, 2007, and 2009 legislatures each provided \$100 million of state lottery bond revenues to fund the program. In the first three cycles of *ConnectOregon*, \$299 million in state grants and loans funded 166 projects and leveraged \$413 million in private and federal investments. As of January 2012, 97 projects are complete and 69 projects are in the design and construction phase.

The 2011 Oregon Legislature allocated \$40 million in lottery-backed bond revenue to fund grants and loans for multimodal transportation projects under the *ConnectOregon IV* program cycle. The statutory program goals include improving and expanding publicly- and privately-owned transportation infrastructure to support economic development and create jobs.

DISCUSSION

Passage of HB 4020 or HB 4028 would increase the amount of lottery bonds issued to fund the *ConnectOregon IV* program by \$10 million resulting in a total of \$50 million to finance grants and loans for multimodal transportation projects. The Oregon Department of Transportation is currently administering the *ConnectOregon IV* project selection process. Applications requesting approximately \$85.8 million were received by the November 2011 application deadline. Funds authorized under HB 4020 or HB 4028 would be disbursed as a part of the current project selection cycle.

ConnectOregon IV Project Selection Process, Timeline and Status

In the current cycle, 70 applications were received. The first step in the review process was for state agency staff to evaluate applications for completeness, eligibility and feasibility; the review was completed on January 6, 2012. Each project has also received two economic benefit analyses to assist in project reviews completed January 12, 2012. Four applications were deemed ineligible and those applicants have the opportunity to appeal through February 12, 2012.

The Port of Brookings Harbor project was part of the initial application process; however, \$1.4 million in funds were provided for recovery from tsunami damage. These funds provided a match to Federal Emergency Management Agency (FEMA) funds received; therefore, Brookings no longer needs the requested grant from *ConnectOregon*.

For the remaining COIV funds, after the end of the eligibility appeal period, we anticipate that there will be 65 projects requesting \$77.8 million in grants or loans that will continue through the review process. Review by public and private transportation experts on five modal review committees (aviation, marine, rail, transit, and freight) begins February 21, 2012 followed by five regional review committees commencing April 2, 2012. The Final Review Committee, consisting of members from each of the modal and regional review committees, is scheduled to consolidate the reviews into a single prioritized Recommended Project Report in mid-June for submission to the Oregon Transportation Commission. The attachments provide a breakdown of remaining applications both by mode and region, as well as by legislative district.

The Oregon Transportation Commission uses the Final Recommendation Report, documentation from the modal and regional review committees, and public hearing testimony to select projects that will receive grants and loans. As directed by ORS 367.084(3), when selecting projects for funding through the Multimodal Transportation Fund, the OTC must consider:

- 1) whether the project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;
- 2) whether the project results in an economic benefit to this state;
- 3) whether the project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;
- 4) how much of the project cost can be borne by the application from any other source; and
- 5) whether the project is ready for construction.

The Oregon Transportation Commission is expected to hold a public hearing on the recommended project priority list in July and approve projects for funding at its August 2012 meeting. The addition of \$10 million to the Multimodal Transportation Fund will allow the OTC to provide grants or loans to more transportation projects.

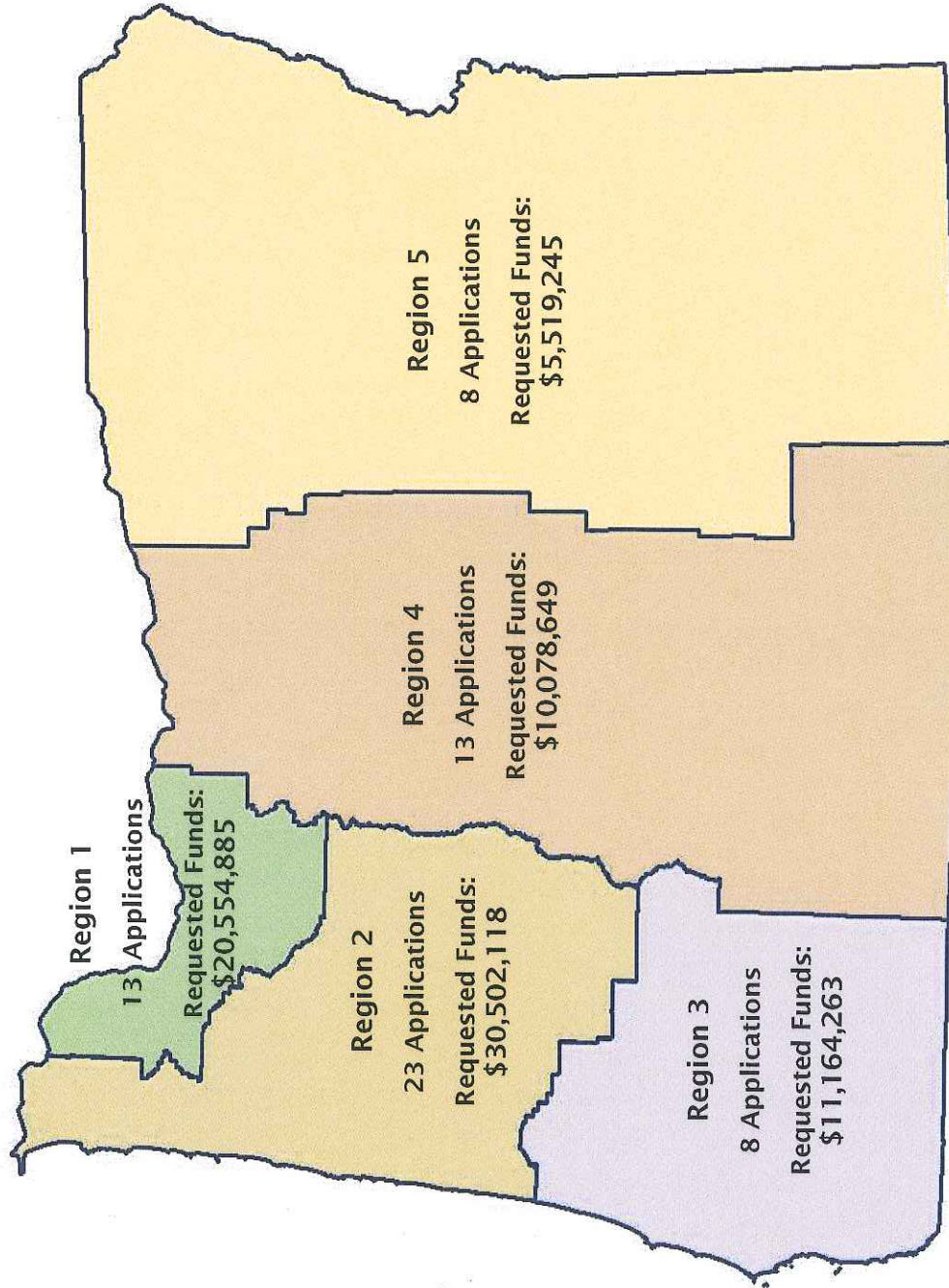
SUMMARY

The Multimodal Transportation Fund finances grants and loans for non-highway transportation projects across the state through the *ConnectOregon* program. HB 4020 or HB 4028 would increase the amount of lottery backed bond revenues from \$40 million to \$50 million in the current biennium to fund *ConnectOregon* IV projects. *ConnectOregon* has proven to be a successful program resulting in investments to date of \$712 million in state, federal and private funds to improve Oregon's transportation system, supporting the economy to the benefit of Oregon businesses and citizens. Should HB 4020 or HB 4028 become law, the Department will recommend the Oregon Transportation Commission award the additional funds to *ConnectOregon* IV projects from applications received in November of 2011.

Enclosures: Map showing distribution of applications received statewide
ConnectOregon IV project application summary by legislative district

ConnectOregon IV Applications for Review

February 2012



-  28 Aviation Applications Requesting \$20,666,592
-  9 Marine Applications Requesting \$12,930,060
-  21 Rail Applications Requesting \$32,292,728
-  7 Transit Applications Requesting \$11,929,780

Requests for over \$77 Million worth of grants and loans will be reviewed by committees representing modal and regional interests.

ConnectOregon funds will be distributed to air, marine, rail and transit projects statewide. No less than 10 percent of ConnectOregon IV funds must be distributed to each of the five regions of the state.

The review process to identify the projects that will receive funding will run through the spring of 2012.

More information is available online at: <http://www.oregon.gov/ODOT/COMM/CO/COIV.shtml>

Map Revised 2/1/2012

ConnectOregon IV Applications for Review

APP	APPLICANT	PROJECT NAME	SENATE DISTRICT	HOUSE DISTRICT	FUNDS REQUESTED
3R0192	Central Oregon & Pacific Railroad	Rail Infrastructure Improvement	1	1	\$ 4,560,000
3A0208	City of Brookings	Regional Airport Project	1	1	\$ 550,000
3A0187	City of Roseburg	Taxiway Extension	1	2	\$ 720,000
3A0190	Jackson County/Rogue Valley Intl-Medford	Main Runway 14-32 Rehabilitation	2	4	\$ 521,052
3R0179	Table Rock Group, LLC	Warehouse Rail Spur	2	4	\$ 272,000
3T0189	Rogue Valley Transportation District	Radio System Replacement & Upgrade	3	5	\$ 148,400
3A0238	Sky Research, Inc	Sky Research Facilities Consolidation	3	5	\$ 2,000,000
3A0188	Coos County Airport District	SW OR Critical Links to Air Transportation	5	9	\$ 2,392,811
2A0205	City of Newport	Runway 16/34 Rehabilitation	5	10	\$ 448,500
2M0225	Port of Newport	Terminal Renovations	5	10	\$ 483,600
2A0244	City of Creswell Airport	Taxi Lane Improvements	6	11	\$ 400,000
2A0245	City of Creswell Airport	Super AWOS Improvements	6	11	\$ 160,000
2A0195	City of Eugene/Eugene Airport	South Ramp Reconstruction	7	14	\$ 451,111
2R0207	Fuel Logistics LLC	Eugene Rail Offload Project	7	14	\$ 1,200,000
2R0194	Lost Creel Rock Products, LLC	Green Hill Road Multimodal Facility	7	14	\$ 477,286
2R0247	Roseburg Forest Products	UP Spur Expansion	7	14	\$ 4,000,000
2R0180	Union Pacific Railroad Company	Bridge Replacement (MP 662.00)	7	14	\$ 8,200,000
2A0228	City of Corvallis	Air Terminal Rehabilitation	8	16	\$ 455,104
2A0229	City of Corvallis	Air Freight Transfer Facility	8	16	\$ 567,209
2R0231	City of Corvallis	Airport Industrial Park Rail Spur Rehab	8	16	\$ 368,740
2T0234	City of Corvallis	Transit Operations & Maintenance Facility	8	16	\$ 1,600,000
2R0246	Wilco Winfield LLC	Wheat loading siding extension	9	18	\$ 131,858
2R0226	WVRR	Bridge Repairs	9	18	\$ 904,000
2R0212	P&W RR	Marion Cnty 3 Mile Rail Improvement	10	20	\$ 970,431
2T0206	Salem Area Transit District	Downtown Transit Mail Rehabilitation	10	20	\$ 3,000,000
2R0222	Benton County	Bailey Branch Acquisition	12	23	\$ 2,000,000
2R0202	White's Hauling & Farm, LLC	White Grain & Seed Railcar Loading Site	12	23	\$ 750,283
2T0218	Yamhill County	Intermodal Transit Center	12	24	\$ 1,162,400
1R0210	P&W RR	P&W Rainier Siding Extension	16	31	\$ 427,332
2M0200	Port of Astoria	Pier 2 Upgrade	16	31	\$ 1,000,000
1A0240	Port of St Helens	Water Sewer Line Extension	16	31	\$ 304,000
1R0239	Port of St Helens	Moltnomah Rail Extension	16	31	\$ 156,000
1M0196	Sause Bros, LLC	Heavy Lift Equipment Acquisition	16	31	\$ 1,208,404
1M0186	Teevin Bros Land & Timber Co., LLC	T-Pier	16	31	\$ 2,818,155
2M0233	Port of Garibaldi	Commercial Avenue Wharf Reconstruction	16	32	\$ 1,608,300

ConnectOregon IV Applications for Review

APP	APPLICANT	PROJECT NAME	SENATE DISTRICT	HOUSE DISTRICT	FUNDS REQUESTED
2A0230	Port of Tillamook Bay	Runway 13-31 Rehabilitation	16	32	\$ 163,296
1R0219	BNSF Railway	Portland Intermodal Facility Improvements	17	33	\$ 3,927,200
1R0221	Tarr Acquisition LLC	Tarr Intermodal Liquid Bulk Facility	22	43	\$ 1,040,000
1A0217	Port of Portland	Air Trans Center Taxilane Upgrade	22	44	\$ 3,500,000
1M0215	Port of Portland	T6 Wharf Optimization	22	44	\$ 1,200,000
1M0214	Port of Portland	T6 Berth 601 Auto Import Expansion	22	44	\$ 2,240,000
1T0213	Ride Connection	Resource and Operations Center	24	47	\$ 2,750,000
1R0185	Mt Hood Railroad	Mt Hood RR Bridges Fortification	26	52	\$ 247,314
1T0235	TriMet	E 181st MAX Station Safety and Security	26	52	\$ 736,480
4A0178	City of Bend/Bend Aviation	Taxiway A	27	53	\$ 192,220
4A0191	City of Redmond	GA Ramp/Taxiway A Recon/Taxiway C Extens	27	53	\$ 425,000
4A0182	City of Redmond	Emergency Aircraft Dispatch Center	27	53	\$ 1,500,000
4A0181	Flying H Enterprises	Office/hangar for small aviation business	27	53	\$ 128,016
4A0216	Sisters Runway Inc	Sisters Eagle Airport Improvement Project	27	53	\$ 1,597,932
4A0184	Christmas Valley Park & Recreation District	Parallel Taxiway and Apron Construction	28	55	\$ 607,280
4A0220	City of Prineville	Prineville Airport AWOS	28	55	\$ 220,000
4A0236	Lake County Airport	Commercial Infrastructure Development	28	55	\$ 726,980
4R0237	LRY LLC	L.C. RR Rail relay phase 1	28	55	\$ 768,000
4A0204	City of Klamath Falls	Airport Intermodal Service Center	28	56	\$ 200,000
4A0243	City of Malin	Malin Municipal Fueling Project	28	56	\$ 192,000
5A0224	Port of Morrow	Airport Improvements	29	57	\$ 299,880
5R0209	Port of Morrow	Port of Morrow Track Development	29	57	\$ 850,000
5A0199	Union County	Runway 12-30 Overlay	29	57	\$ 299,200
5M0193	Port of Umatilla	Multi-Modal Marine Freight Transfer Facility	29	58	\$ 1,627,440
5M0232	Tidewater	Umatilla Terminal Expansion	29	58	\$ 744,161
4R0201	City of Madras	Madras-BNSF Rail Improvement Project	30	59	\$ 988,720
5A0198	Grant County	Runway 9/27 Rehabilitation	30	59	\$ 1,600,000
4T0203	Mid-Columbia Council of Governments	The Dalles Transit Center	30	59	\$ 2,532,500
5A0241	City of Baker City	Taxiway A update 5	30	60	\$ 45,000
5R0197	Oregon Eastern Railroad	Malheur Jct. Wye Project #2	30	60	\$ 53,564