



# Oregon

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**DATE:** February 19, 2012

**TO:** Senate Committee on Business and Transportation

**FROM:** Jerri Bohard, Administrator  
Transportation Development Division

**SUBJECT:** SB 260: *ConnectOregon V*

## INTRODUCTION

SB 260 continues the investment in Oregon's multimodal transportation system by creating jobs and furthering economic development in Oregon. SB 260 (*ConnectOregon V*) builds on the success of the preceding *ConnectOregon* grants and loans and will continue to improve the flow of commerce, remove delays and improve the safety of Oregon's diverse multimodal transportation system.

## BACKGROUND

*ConnectOregon* is a lottery-backed bond initiative to invest in air, rail, marine and transit infrastructure to promote economic development and livability in Oregon. Public and private investments in transportation infrastructure create jobs and help foster economic development by facilitating the movement of goods and people with a safe and efficient transportation system.

The 2005 Legislature created the *ConnectOregon* program and approved \$100 million of state lottery bond proceeds to fund it. The legislature approved additional \$100 million bond authorizations in 2007 and 2009 and a \$40 million bond authorization in 2011. For the \$340 million available through *ConnectOregon*, the state received a total of 424 project applications requesting approximately \$790 million in grants and loans, leading to a total of 203 funded projects. The investments made through *ConnectOregon* grants and loans have leveraged approximately \$518 million of private investments as well as investments from other public sources.

As of January 2013, eighty-three percent of *ConnectOregon* I, II, and III projects were complete. The Oregon Transportation Commission (OTC) awarded *ConnectOregon* IV funding to 38 projects in August 2012. Two of the *ConnectOregon* IV projects are complete, and construction on many of the remaining projects will begin this year.

Together, the four phases of the *ConnectOregon* program are improving connections between the highway system and other modes of transportation, better integrating the components of the transportation system, improving the flow of commerce and reducing delays.

### **WHAT THE BILL DOES**

SB 260 authorizes the issuance of lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation and transit, during the 2013-15 biennium. The bill makes a change to the program's region boundaries, moving Columbia County to Region 2 to make *ConnectOregon* regions align with ODOT's geographic regions. The bill also makes a modification to how the Department of Transportation and Oregon Department of Aviation work together to administer the funds.

As in past *ConnectOregon* programs, *ConnectOregon V* applicants will submit project proposals that demonstrate the transportation benefits, the jobs created or maintained, project readiness, and the required match money. Modal experts review proposals to prioritize modal impacts; regional officials review proposals to prioritize impacts within the region. Each of the five geographic regions is guaranteed a minimum 10 percent of the funding.

### **THE GOVERNOR'S RECOMMENDED BUDGET**

The Governor's Recommended Budget includes \$60 million for *ConnectOregon V* for 2013-15, with \$22 million coming from lottery bond revenue and \$38 million from General Fund Certificates of Participation.

### **REPORT TO THE LEGISLATURE**

Pursuant to a Budget Note in SB 5701 (2012), ODOT recently [reported to the legislature](#) on the criteria used to select *ConnectOregon* projects and the public benefits derived from investments made. The report includes a detailed review of the benefits and information from surveys of *ConnectOregon* I, II and III grant recipients that demonstrate public benefits from funded projects be categorized into four categories:

- Reduces transportation costs for Oregon businesses
- Improves access to jobs and sources of labor
- Provides economic benefits
- Provides critical transportation linkages

### **SUMMARY**

ODOT supports SB 260. The bill will allow for an additional round of *ConnectOregon* projects, and makes minor revisions to how the state agencies administer the program. The *ConnectOregon* program is providing grants and loans to non-highway transportation projects across the state, resulting in improved infrastructure and the creation and retention of jobs critical for Oregonians. *ConnectOregon* has proven to be a valuable and successful program that is good for Oregon's economy and for all Oregonians.