



# Oregon

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**DATE:** February 22, 2013

**TO:** House Committee on Transportation and Economic Development

**FROM:** Jerri Bohard, Administrator  
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**SUBJECT:** HB 2310: *ConnectOregon V*

## INTRODUCTION

House Bill 2310 continues the investment in Oregon's multimodal transportation system by creating jobs and furthering economic development in Oregon. HB 2310 (*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 \$499 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**

HB 2310 authorizes the issuance of \$100 million in lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation and transit, during the 2013-15 biennium.

As in past *ConnectOregon* programs, *ConnectOregon V* applicants would 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.

### **SUGGESTED CHANGES**

ODOT recommends the committee consider a change to the bill to align the *ConnectOregon* region boundaries in the bill with ODOT's geographic regions, moving Columbia County to Region 2. We also suggest the bill make a modification to clarify how the Department of Transportation and Oregon Department of Aviation work together to administer the funds. Both of these modifications are included in Senate Bill 260.

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

ODOT supports a \$60 million *ConnectOregon V* program as identified in the Governor's Recommended Budget for 2013-15. The Governor's budget proposes to fund *ConnectOregon V* 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**

HB 2310 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.