



Oregon

Kate Brown, Governor

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DATE: May 15, 2015

TO: Joint Committee on Ways and Means
Subcommittee on Capital Construction

FROM: Jerri Bohard, Administrator
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SUBJECT: HB 5030 – *ConnectOregon VI*

INTRODUCTION

The legislature has made significant investment in Oregon's multimodal transportation system by creating jobs and furthering economic development in Oregon through the *ConnectOregon* program. *ConnectOregon* provides grants and loans to improve the flow of commerce, remove delays and improve the safety of Oregon's diverse multimodal transportation system. HB 5030 and the Governor's Recommended Budget propose to continue funding for *ConnectOregon VI* for the 2015-17 biennium.

BACKGROUND

ConnectOregon is a lottery-backed bond initiative that invests in air, rail, marine, transit and bicycle/pedestrian infrastructure to promote economic development in Oregon. Public and private investments in transportation infrastructure spur economic growth and assist with creating and retaining jobs 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, \$40 million in 2011 and \$42 million in 2013. For the \$382 million available through *ConnectOregon*, the state received a total of 528 project applications requesting approximately \$915 million in grants and loans, leading to a total of 240 funded projects. Grant recipients must provide a minimum of 20% matching funds. The investments made through the *ConnectOregon* program have leveraged approximately \$605 million of private investments as well as investments from other public sources.

As of March 2015, ninety-four percent of *ConnectOregon I, II, III, and IV* projects were complete. The Oregon Transportation Commission (OTC) awarded *ConnectOregon V* funding to 40 projects in August 2014 and March 2015. Four *ConnectOregon V* projects have been started while the remaining projects are in design.

Together, the five phases of the *ConnectOregon* program are improving connections between all modes of transportation for workers and freight, better integrating the components of the transportation system, improving the flow of commerce, providing access for workers and creating economic benefits for Oregon's business.

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CONNECTOREGON VI

ODOT has proposed HB 2464 (*ConnectOregon VI*) which authorizes the issuance of lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation, transit, and bicycle/pedestrian during the 2015-17 biennium.

As in past *ConnectOregon* programs, *ConnectOregon VI* applicants will submit project proposals that demonstrate transportation and economic benefits, connectivity, project readiness, and the required match money. Modal and regional (ACTs) committees will review and prioritize projects based on benefits provided by each to Oregon's businesses and transportation system with an emphasis on looking at the modal benefits from a statewide perspective. Each of the five geographic regions is guaranteed a minimum 10 percent of the funding.

The Governor's Recommended Budget proposes to fund *ConnectOregon VI* at \$58.6 million for the 2015-17 biennium; House Bill 5030 authorizes the issuance of bonds in this amount.

SUMMARY

Additional *ConnectOregon* funding would result in investment in non-highway transportation project across the state and improved infrastructure that supports economic growth and connectivity for Oregonians. *ConnectOregon* has proven to be a valuable and successful program that is good for Oregon's economy and for all Oregonians. HB 5030 would fund *ConnectOregon VI* at \$58.6 million for the 2015-17 biennium.