

April 18, 2017

The Honorable Senator Richard Devlin, Co-Chair  
The Honorable Representative Nancy Nathanson, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

For more than 13 years, the Governor's Office and a group of state agencies have worked collaboratively with the City of Rainier to help solve safety and transportation concerns where the Portland & Western Rail Line bisects the community and runs down the main street of town.

Realizing that the resources available to the community were insufficient to address safety concerns, the North Coast Regional Solutions Advisory Committee requested \$2,000,000 from the total lottery revenue bond issuance authorized in SB 5533 by the Legislature, which was approved in the 2013 Session to be sold in the Spring 2015 bond sale.

The state's commitment of these funds leveraged additional resources, including a Connect Oregon grant of \$2,900,000, \$750,000 in matching funds from Portland & Western Railroad, \$2,000,000 from Oregon Department of Transportation (ODOT) Rail Division Federal Rail Safety funds, as well as investment from the City of Rainier for street enhancements and utility work. The Port of St. Helens, Global Partners, and Portland & Western Rail Line also each contributed \$18,000 for planning and design work.

This project will specifically daylight, realign, and isolate the exiting rail line as it moves through town. Traffic crossing arms will be installed to redirect traffic flow and to separate automobile, pedestrian, and train traffic. The roadway will be resurfaced, sidewalks improved, street parking reconfigured, underground utilities upgraded as required, and storm water systems put into place.

ODOT has assumed the role of overall management and delivery of this project, as it was determined certain expertise would be critical due to the complex funding streams and the nature of the project. The Portland & Western Rail Line is managing their own design work and will oversee the realignment and daylighting of their tracks.

In December of 2016, while discussing the City of Rainier's needs related to this project, it was determined that the City lacked the capacity to manage their portion of the project. It was determined by the North Coast Regional Solutions Advisory Committee that funding was needed to provide the City with the project management resources to ensure the City's utility work coincides with existing street design and construction, and is completed in a timely and fiscally conscious manner. This letter seeks permission from the Legislature to repurpose \$60,000 of funding from the 2013-15 biennium, remaining and unused, to

be allocated to this project. This would bring the total of investment for this project from Regional Solution up to \$2,060,000.

### **Agency Action**

Oregon Business Development Department (Business Oregon) works with Regional Solutions Advisory Committees to best apply available funding toward projects prioritized by regions and formally identified on regional project lists. Business Oregon and Regional Solutions have determined that this \$60,000 would be best utilized for the purpose specified above. However, this change was not specifically included in the 2015-17 project lists for the Spring 2017 Lottery Bond sale authorized by SB 5507 A (2015). The funds requested with this letter are funds that were unable to be utilized from the 2013-15 bond sale due to a project not coming to fruition. A budget note included with SB 5507 A directs Business Oregon to obtain legislative approval prior to altering funding levels and/or projects within the initial project list.

### **Action Requested**

Business Oregon, along with the North Coast Regional Solution Advisory Committee, request the Joint Committee on Ways and Means approve the repurpose of \$60,000 of 2013-15 Lottery Bonding proceeds that were unable to be disbursed in that sale due to a project that did not come to fruition. These funds would go to the City of Rainier for the Rainier Rail project.

### **Legislation Affected**

This change request does not require statutory change as the project list is not specified in statute. However, the budget note associated with SB 5507 A (2015) requires Business Oregon to obtain legislative approval to amend the original project list associated with a Regional Solution bond sale issued in Spring of 2017.

Sincerely,



Chris Harder  
Director

C: Jason Lewis-Berry, Regional Solutions Director, Governor's Office  
Mark Ellsworth, NW Regional Coordinator, Governor's Office  
Jenny Wilfong, Chief Financial Officer, Business Oregon  
Chris Cummings, Assistant Director of Economic Development, Business Oregon  
Steve Bender, Principal Legislative Analyst, Legislative Fiscal Office  
Patrick Heath, CFO Analyst, Chief Financial Officer, DAS