



# Oregon

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**DATE:** May 19, 2017

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

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

**SUBJECT:** SB 5530: Lottery Bond Authorization

## INTRODUCTION

SB 5530 continues the investment in Oregon's multimodal transportation system by creating jobs and furthering economic development in Oregon through a seventh round of Connect Oregon funding. SB 5530 provides \$71.1 million in lottery bond proceeds for Connect Oregon VII to build on the success of the preceding Connect Oregon 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

Connect Oregon VII 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 Connect Oregon 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, a \$40 million bond authorization in 2011, \$42 million in 2013, and \$45 million in 2015. For the \$427 million available through Connect Oregon, the state received a total of 424 project applications requesting approximately \$790 million in grants and loans, leading to a total of 279 funded projects. The investments made through Connect Oregon grants and loans have leveraged approximately \$696 million of private investments as well as investments from other public sources.

As of April 2017, ninety percent of Connect Oregon I-V projects were complete. The Oregon Transportation Commission (OTC) awarded Connect Oregon VI funding to 39 projects in August 2016, and construction will begin on many of the projects this year.

Together, the six phases of the Connect Oregon 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**

ODOT has proposed HB 2288 (Connect Oregon VII) which authorizes the issuance of lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation and transit, during the 2017-19 biennium.

As in past Connect Oregon programs, Connect Oregon VII 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.

SB 5530 aligns with the Governor's Recommended Budget which includes \$71.1 million for Connect Oregon VII for 2017-19 from lottery bond revenue.

**SUMMARY**

Additional Connect Oregon funding would result in investments in to non-highway transportation projects across the state, resulting in improved infrastructure and the creation and retention of jobs critical for Oregonians. Connect Oregon has proven to be a valuable and successful program that is good for Oregon's economy and for all Oregonians. SB 5530 would fund Connect Oregon VII at \$71.1 million for the 2017-19 biennium.