

ANALYSIS

Consent Agenda – Various Agencies Requests for Approval to Apply for Federal Infrastructure Investment and Jobs Act Grants

The following state agencies seek retroactive approval to submit grant applications to various federal agencies. Retroactive approval is necessary for grant applications with deadlines that fell before the submittal dates for the June 2022 meeting of the Emergency Board and for which prior legislative approval had not been obtained. All agencies submitted advance notification to legislative leadership of their intent to apply for the grants as required by the Department of Administrative Services and Legislative Fiscal Office.

The seven grants included in this analysis represent the grants associated with the federal Infrastructure Investment and Jobs Act (IIJA) passed in 2021. Included in this analysis are requests from three agencies: five from the Department of Transportation for specific projects or local transit districts/systems purchases, one from the Oregon Business Development Department, and one from the Department of Energy. There are anticipated to be several similar requests in the future as federal agencies announce availability of IIJA funded grant programs.

Item 33: Oregon Business Development Department – Brownfields Fund Capitalization

Analyst: Matt Stayner

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency (EPA) in the amount of \$5.0 million over a period of five years to capitalize the Brownfields Revolving Loan Fund.

Analysis: The Oregon Business Development Department (OBDD) requests authority to apply for \$5.0 million from the EPA to recapitalize the Oregon Brownfields Cleanup Fund which provides financing to cleanup sites contaminated by hazardous substances and petroleum. These IIJA funds supplement existing funding available through a cooperative agreement with the EPA. Funding is available through the end of September 2027. Oregon has already received \$7.2 million since 2005 from the EPA for capitalization of the Fund. OBDD estimates that \$2.5 million in project financing is in the “pipeline” for the use of this Fund with another potential \$27 million in projects over the next five years.

OBDD notified the Legislature of its intent to apply for this funding on March 1, 2022 and submitted the grant application on March 18, 2022. The grant does not require cost sharing or matching from grant recipients. No additional positions or FTE will be required.

Item 39: Oregon Department of Energy - State Energy Security Plan

Analyst: John Terpening

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Energy in the amount of \$200,000 over a period of five years to support state energy security planning.

Analysis: The Oregon Department of Energy (ODOE) is requesting authority to apply for federal funding through the federal State Energy Program funded with IIJA resources. SB 1567 (2022) requires a State Energy Security Plan and the federal funding will support related efforts to increase the ability of the state and others to reduce the likelihood and consequences of disruptive events in the energy infrastructure. Further funding from the increase in the federal State Energy Program is expected to be made available by the federal government later in the year.

ODOE notified the Legislature of its intent to apply for this funding on April 11, 2022 and applied for funding by the May 3, 2022 application deadline. The grant does not require cost sharing or matching. No additional positions or FTE are anticipated to be required.

Item 61: Oregon Department of Transportation - OR 99 Phoenix RAISE

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Transportation (USDOT) in the amount of \$20.0 million over a multi-year period for improvements to Oregon 99 in the Phoenix area.

Analysis: The Oregon Department of Transportation (ODOT) is requesting authority to apply for \$20.0 million from USDOT's Rebuilding American Infrastructure with Sustainability and Equity program (RAISE). This federal grant program is designed to reduce greenhouse gases and address issues related to environmental justice, racial equity, and barriers to opportunities. This specific project on Oregon 99 will improve the safety of bikers, riders, and pedestrians by widening the roadway; constructing sidewalks, bike lanes, and continuous two-way left turn lanes; and enhancing pedestrian crossings. This is a low-income area and was also affected significantly by the 2020 Almeda Fire. If awarded, the grant will be used to expand the scope of the existing planned project at an estimated cost of \$25.0 million. Of this, \$20.0 million will be provided through the RAISE grant and the remaining \$5.0 million from existing Statewide Transportation Improvement Fund moneys budgeted in Region 3's construction program.

ODOT notified the Legislature of its intent to apply for this grant on March 28, 2022 and applied for the grant by the April 14, 2022 deadline. Any match requirements are met by existing state resources.

Item 62: Oregon Department of Transportation - Outer Powell RAISE

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Transportation (USDOT) in the amount of \$18.0 million over a multi-year period for safety improvements for the Outer Powell Boulevard Project.

Analysis: The Oregon Department of Transportation (ODOT) is requesting authority to apply for \$18.0 million from USDOT's Rebuilding American Infrastructure with Sustainability and Equity program (RAISE). This federal grant program is designed to reduce greenhouse gases and address issues related to environmental justice, racial equity, and barriers to opportunities. This specific project will provide critical safety and mobility improvements along major portions of Powell Boulevard between 99th Avenue and 174th Avenue in Portland. The current roadway is mostly two lanes with shoulders often without sidewalks. The project will include protected bike lanes, raised sidewalks, improved traffic signals and lighting, a two-way center-turn lane, an improved stormwater system, and protected transit waiting areas. Total estimated project costs are \$123.0 million with \$105 million coming from the existing Statewide Transportation Improvement Program or STIP, as identified in HB 2017 (2017). If awarded, this grant will fill the project's funding gap due to increased construction costs.

ODOT notified the Legislature of its intent to apply for this grant on March 28, 2022 and applied for the grant by the April 14, 2022 deadline. Any match requirements are met by existing state resources.

Item 63: Oregon Department of Transportation - Bus and Bus Facilities

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the Federal Transit Administration (FTA) for up to the amount of \$14,155,246 over a multi-year period to fund purchases of transit vehicles and other transit costs.

Analysis: The Oregon Department of Transportation (ODOT) is requesting authority to apply for up to \$14.2 million from FTA's Grants for Buses and Bus Facilities Program. This federal grant program is for funding the purchase of low and no-emission vehicles to replace, purchase or rehabilitate existing transit equipment and construct bus-related facilities. States apply on behalf of local transit providers. This specific grant request is for smaller transit systems - City of Sandy, Hood River County Transportation District, Sunset Empire Transportation District (Clatsop County), Yamhill County Transit, and Umpqua Public Transportation District. The total cost of the vehicles and other requests included in the application is \$16.3 million, and the \$2.2 million difference between the total costs and the grant funds (if awarded) will be contributed by the individual transit systems.

ODOT notified the Legislature of its intent to apply for this grant on April 26, 2022 and applied for the grant by the May 31, 2022 deadline.

Item 64: Oregon Department of Transportation Aurora - Donald INFRA

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Transportation (USDOT) in the amount of \$36.0 million over a multi-year period for the Interstate 5: Aurora-Donald Interchange project.

Analysis: The Oregon Department of Transportation (ODOT) is requesting authority to apply to USDOT's Infrastructure for Rebuilding America (INFRA) and Rural Surface Transportation grant programs in the amount of \$36.0 million. These two programs fund highway, bridge and multimodal projects designed to alleviate congestion and promote freight mobility, in this case projects in rural areas. This specific request is for the Aurora-Donald Diverging Diamond Interchange project at Exit 278 on Interstate 5. If awarded, the grant will allow Phase 2 of the project to continue, resulting in longer term cost savings. The total cost of Phase 2 is \$60.3 million, and the difference from the total cost and the grant amount (if awarded) will be contributed by \$12.1 million in State Highway Fund resources per HB 2017 (2017) and \$12.2 million in existing Federal Funds.

ODOT notified the Legislature of its intent to apply for this grant on April 29, 2022 and applied for the grant by the May 23, 2022 deadline.

Item 65: Oregon Department of Transportation Aurora - US 97 INFRA

Analyst: Michelle Deister

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Transportation (USDOT) in the amount of \$52.65 million over a multi-year period for the US 97 Redmond South Corridor Freight, Connectivity, and Multimodal Improvements Project.

Analysis: The Oregon Department of Transportation (ODOT) is requesting authority to apply to USDOT's Infrastructure for Rebuilding America (INFRA) and Rural Surface Transportation grant programs in the amount of \$52.65 million. These two programs fund highway, bridge and multimodal projects designed to alleviate congestion and promote freight mobility, in this case projects in rural areas. This specific project is designed to meet the grant programs' purposes in the US 97 and Oregon 126 corridors in Redmond, including investments in the Eastside Industrial Arterial. Updated total project costs are \$110 million, and the difference from the total cost and grant amount (if awarded) will be contributed by \$25.0 million from the City of Redmond, \$5.0 million in existing state preservation resources, and \$27.4 million in existing Federal Funds.

ODOT notified the Legislature of its intent to apply for this grant on April 29, 2022 and applied for the grant by the May 23, 2022 deadline.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve the requests to apply for federal grants, en bloc, with the understanding that if the funds are awarded the agencies will return to the Legislative Assembly for approval of any necessary Federal Funds or Federal Funds as Other Funds expenditure limitation and position authority.



April 29, 2022

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Oregon Business Development Department (Department) requests retroactive approval of the submission of a federal application for \$5M of Supplemental Funding for the Brownfields Revolving Loan Fund grant. This grant is from the U.S. Environmental Protection Agency (USEPA) for additional capitalization of the Department's Oregon Brownfields Cleanup Fund (Fund) which provides cleanup financing for sites contaminated by hazardous substances and petroleum. The application was submitted March 18, 2022.

Agency Action

Background

On February 15, 2022, the USEPA posted notification of the opportunity to apply for supplemental funding made available to eligible open Brownfields Revolving Loan Fund (RLF) grants through the Bipartisan Infrastructure Law (BIL). Business Oregon's Fund program is funded with an USEPA RLF grant through a cooperative agreement (CA) which expires on September 30, 2024. As such, Business Oregon is an eligible RLF grant applicant. Guidance was provided to eligible recipients by USEPA on February 15, 2022.

This grant opportunity does not require cost share from grant recipients. USEPA anticipates that supplemental funding awarded to existing CAs will advance the Biden Administration's Justice40 Initiative goal to deliver at least 40 percent of the overall benefits from key federal investments to disadvantaged communities. Through this 2022 BIL appropriation administered by USEPA, the State of Oregon is eligible to apply for up to \$5M in supplemental funds.

The performance period of an award would run through September 30, 2027. Since 2005 when the Department received its first RLF grant from USEPA, the Department has received \$7,188,996 from USEPA to capitalize the Fund. The Department has awarded a total of \$6,602,919 in project financing through the Fund to 22 projects, documented \$5,392,653 of project match funding, and received \$2,066,398 in program income (loan principal and interest repayments). An estimated \$2,500,000 in project financing is in the

“pipeline” seeking funding within the next 12 months with a potential \$27 million over the following five years. Insufficient unobligated funds remain in the Fund to aid with all financing requests.

Brownfields are real property where environmental contamination has occurred, or may have occurred, complicating the ability to redevelop or transfer property because of potential liability and cleanup costs. The Department is committed to integrating brownfields clean up and redevelopment as part of its core economic and community development objectives. Incomplete knowledge about previously used vacant or underutilized properties with concerns over actual or perceived contamination can cause these sites to be overlooked in favor of undeveloped lands outside of urban growth boundaries. Although the marketplace drives demand for job-producing sites, whether they are greenfields or brownfields, the reuse of small lot brownfields for affordable housing infill or industrial zoned brownfields intended to remain in industrial reuse provide communities with the ability to eliminate blighted properties and to revitalize their community’s economic and housing base. The challenge is to make formerly used properties economically viable for reuse and equally or more attractive than greenfields for new economic and community need activity.

The grant opportunity supports the Departments mission and goals to assist Oregon’s communities with building capacity to retain, expand and attract businesses through the redevelopment of vacant or underutilized industrial and commercial properties. If the Department is successful with its application, the Department of Environmental Quality would provide regulatory review under an intergovernmental agreement with the Department. Grant funds may be used for program and/or project management.

No additional FTE will be necessary to administer these funds.

Action Requested

The Department respectfully requests retroactive approve of the submission of a federal application for \$5M of Supplemental Funding for a Brownfields Revolving Loan Fund grant.

Legislation Affected

This request does not affect current legislation.

Sincerely,

A handwritten signature in black ink that reads "Chris" followed by a stylized, cursive flourish.

Chris Cummings
Assistant Director



Oregon

Kate Brown, Governor



550 Capitol St. NE

Salem, OR 97301

Phone: 503-378-4040

Toll Free: 1-800-221-8035

FAX: 503-373-7806

www.oregon.gov/energy

May 4, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Oregon Department of Energy (ODOE) seeks retroactive authority to apply for a federal grant. This federal funding opportunity is offered by the United States Department of Energy under the State Energy Program funds made available under the federal Infrastructure Investment and Jobs Act.

Agency Action

The Oregon Department of Energy has prepared for this funding opportunity, following passage of the federal Infrastructure Investment and Jobs Act. Preparation includes efforts to address the need for an improved State Energy Security Plan under SB 1567. The Oregon Department of Energy also submitted a 10-day notification letter on Monday, April 11, 2022.

The federal grant opportunity is offered to State Energy Offices, as part of each state's formula allocation increase under the State Energy Program made available by the Infrastructure Investment and Jobs Act. This grant opportunity provides earlier access some of the State Energy Program funds authorized under the Infrastructure Investment and Jobs Act, with the specific intent of supporting state energy security planning. The remaining balance of the State Energy Program funds authorized under the Infrastructure Investment and Jobs Act is expected to be released later this year. This initial funding opportunity was released on March 28, 2022, and was due on May 3, 2022, leaving insufficient time for approval through an Emergency Board or Committee.

- The source of the grant is the United States Department of Energy, State Energy Program, operated from the Golden Field Office.
- The amount of the grant being requested is \$200,000, with additional requests for continuation of energy security planning expected to be included in a separate federal application when the remaining balance of State Energy Program funds become available.
- The purpose of the grant is to improve Oregon's Energy Security Plan
- The grant application deadline is May 3, 2022
- No match is required under this grant award

- This grant is anticipated to have a positive impact on budgeted services by allowing ODOE to improve our State Energy Security Plan, as directed by SB 1567. No impact to performance measures is anticipated as a result of this grant.
- This grant is not anticipated to increase ODOE's current FTE level. Work is expected to be conducted by existing staff and/or contractors.

This grant directly supports the mission of ODOE which is, in part, to help Oregonians make informed decisions and maintain a resilient and affordable energy system. Energy security planning enables a resilient and affordable energy system by increasing the ability of the state and others to reduce the likelihood and consequences of disruptive events.

Action Requested

The Oregon Department of Energy requests retroactive authority to apply for this federal funding opportunity. The Oregon Department of Energy requests additional limitation in the amount of \$200,000 in relation to this fund. No additional positions are requested at this time.

Legislation Affected

This grant application supports the energy security plan required under SB 1567, passed by the legislature in 2022, for which ODOE has already received federal funding limitation.



Janine Benner
Director

cc: Sione Filimoehala, CFO
John Terpening, LFO
Doug Wilson, LFO

Link to the solicitation: <https://www.energy.gov/eere/wipo/articles/state-energy-security-plan-administrative-and-legal-requirements-document>



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 2, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Delivery and Operations Division in Region 3 requests retroactive approval to apply for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant under the Infrastructure Investment and Jobs Act (IIJA) for \$20 million from the U.S. Department of Transportation.

AGENCY ACTION

RAISE grants are for capital investments in surface transportation that will have a significant local or regional impact. USDOT seeks to fund projects that:

- reduce greenhouse gas emissions and are designed with specific elements to address climate change impacts.
- address environmental justice, particularly for communities that disproportionately experience climate change-related consequences.
- proactively address racial equity and barriers to opportunity, including automobile dependence as a form of barrier, or redress prior inequities and barriers to opportunity

ODOT became aware of this opportunity when the RAISE program Notice of Funding Opportunity was released on January 14, 2022. The grant application was due April 14, 2022, and awards are expected to be announced no later than August 12, 2022. A total of \$2.275 billion is available in the FY 2022 RAISE Grant Program. ODOT has identified the Oregon 99 project in Southern Oregon as a solid candidate that meets the program criteria by improving the safety of bikers, riders, and pedestrians in an economically distressed area now being resettled after the 2020 Almeda Fire.

Project: Oregon 99 from Glenwood to Matt Loop in Phoenix, Oregon

The project along Oregon 99 from Glenwood to Matt Loop in Phoenix is on an urban corridor with high volumes of traffic – both vehicle and pedestrian – with high speeds, non-existent bike lanes, and nearly non-existent sidewalks. The project area is adjacent to economically distressed, residential neighborhoods providing connectivity to regional centers and transportation facilities. There is a need to connect residents to urban areas, employment centers, and other key facilities via bike lanes and sidewalks.

Two pedestrians have been killed in this area in the last several years. Unfortunately, this location was also in the path of the 2020 Alameda Fire, destroying entire blocks of homes. Neighborhoods in this corridor are lower rent areas consisting of retirees, working families, and migrant farm workers, with many families and individuals dependent on biking and walking as critical means of getting around the community. Many who were displaced by the 2020 Alameda fire are resettling in the area, and ODOT is requesting funding from the RAISE grant program to modernize the transportation system the community depends on. RAISE grant funding, if awarded, will continue design and enable construction for road widening, sidewalks, drainage, bike lanes, continuous two-way left turn lane and pedestrian flashing beacons through the Glenwood – Matt Loop section of the corridor. Enhanced pedestrian crossings are also being proposed through this section.

Broad support exists for this project, most notably from the Rogue Valley Area Commission on Transportation, Rogue Valley Metropolitan Planning Organization, the local Transportation Advocacy Cooperative, and the Oregon Transportation Commission (OTC). An equitable approach is being taken is to provide opportunities and choices for people of all ages, abilities, race, ethnicities, and incomes in this rural area to bike, roll, or walk to reach their destinations and to access transportation options, assuring transportation disadvantaged communities are served and included in decision making. It will also provide new walking, biking, and rolling facilities for all, especially those vulnerable populations where infrastructure has been lacking. This new multi-modal corridor will address barrier issues in accessing healthcare, education facilities, places of employment, and other critical destinations.

Total Project Cost:	\$25,000,000
Grant Request:	\$20,000,000
Matching Funds:	\$ 5,000,000

Matching funds for the project will come from allocated State Highway funds in Region 3’s construction program. If awarded, this RAISE grant will expand the scope of an existing STIP project to leverage funds already dedicated to design and construction of Oregon 99 corridor improvements. Coleman Creek – Glenwood Road is a current STIP project, and improvements are currently underway utilizing \$8 million allocated by the OTC, \$1 million in state-raised transit funding from the Statewide Transportation Improvement Fund, \$1.4 million in Sidewalk Improvement Program funds, \$2.1 million from the Safe Routes to School fund, and \$2.5 million in regional fix-it funding. The additional scope of this proposed project is not included in the current STIP, so the agency will amend the STIP if we are successful and will return to the legislature to request additional expenditure limitation if needed.

Work on this proposed project can begin shortly after the grant is awarded, and will likely last into the 2025-2027 biennium. If this proposed project is not funded, the next segment of the corridor will be left with inadequate bike lanes and non-existent shoulders. This will leave a gap between the current project taking place and the end of the proposed project limits, thereby limiting the amount of non-motorized traffic that can be safely accommodated and impacting the future efficiency of the corridor. ODOT is committed to ensuring this work is completed and, if the grant is not awarded, will continue to seek funding to ensure the viability of this essential corridor. RAISE grant funds are available for obligation only through September 20, 2026 and all funds must be expended by September 30, 2031.

May 2, 2022

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ACTION REQUESTED

ODOT requests retroactive approval to apply for a RAISE grant from the U.S. Department of Transportation for \$20 million in IIJA funds.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 2, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Delivery and Operations Division in Region 1 requests retroactive approval to apply for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant under the Infrastructure Investment and Jobs Act (IIJA) for \$18 million from the U.S. Department of Transportation (USDOT).

AGENCY ACTION

RAISE grants are for capital investments in surface transportation that will have a significant local or regional impact. USDOT seeks to fund projects that:

- reduce greenhouse gas emissions and are designed with specific elements to address climate change impacts.
- address environmental justice, particularly for communities that disproportionately experience climate change-related consequences.
- proactively address racial equity and barriers to opportunity, including automobile dependence as a form of barrier, or redress prior inequities and barriers to opportunity

ODOT became aware of this opportunity when the RAISE program Notice of Funding Opportunity was released on January 14, 2022. The grant application was due April 14, 2022, and awards are expected to be announced no later than August 12, 2022. A total of \$2.275 billion is available in the FY 2022 RAISE Grant Program. ODOT has identified the Outer Powell Safety project as a solid candidate project that meets the program criteria.

Project: US26 (Powell Blvd): SE 99th Ave - East City Limits (Key Number: 21178)

The project along SE Powell Boulevard will design and construct critical safety and mobility improvements along approximately 3.5 miles that will benefit all roadway users. The project extends from SE 99th Avenue to SE 122nd Avenue, and then from SE 136th Avenue to 174th Avenue. The area between SE 122nd Avenue to SE 136th Avenue has already been constructed and the future segments will implement similar improvements.

Currently, most of the project area on SE Powell Boulevard is two lanes with paved shoulders that act as both bike lanes and sidewalks. Along much of the project area there are no sidewalks, including areas leading to bus stops and transit waiting areas. The community along this corridor includes historically

socioeconomically challenged households, transit dependent bus riders, immigrants, people who experience disabilities, and people of color. The project area is located in one of the most diverse areas in Portland, with a high number of community groups and individuals that come from varying cultures who speak multiple languages. The top five languages spoken in the project area include English, Chinese, Spanish, Vietnamese, and Russian.

The project will install safety elements to benefit all travelers and the surrounding community including:

- protected and/or raised bike lanes
- raised sidewalks
- mid-block crossings with Rectangular Rapid Flash Beacons (RRFBs) at key locations
- improved traffic signals
- improved lighting
- a two-way center turn lane
- protected transit waiting areas
- improved stormwater system

This project addresses several of the stated goals of the RAISE Grant. By adding protected bike lanes, concrete sidewalks, and improved waiting areas for transit, it not only improves safety for those modes, but also promotes greenhouse gas reductions by encouraging the use of those modes. The key communities that will benefit from this project include households who are historically disadvantaged including immigrants, people of color, disabled, and socioeconomically challenged.

At the conclusion of the project, ownership of this road will jurisdictionally transfer to the City of Portland, as directed in HB 2017 (2017). The project design team is working closely with staff from the City of Portland to ensure that the City supports the project decisions and will be able to maintain the improvements after construction.

Total Project Cost:	\$123 million
Grant Request:	\$ 18 million
Matching Funds:	\$105 million (funds earmarked in HB 2017)

Funding for this project is already included in the Statewide Transportation Improvement Program (STIP) for a total of \$105 million, but there is now a funding gap due to changing market conditions and increased construction costs since the passage of HB 2017.

The project is currently in design, with the Projects Specifications and Estimates (PSE) design milestone in November 2022 and bid-let following in January 2023. Construction is expected to begin in the Spring of 2023, with substantial completion by the end of 2027, and final paving going into 2028. Any grants funds awarded would go toward the construction phase of the project, and the grant expenditure deadline is September, 2031. At this time, the need for additional expenditure limitation or staffing is not expected.

ODOT's goal is to deliver the complete package of community focused multimodal improvements. If the requested funding is obtained, the project will be able to move forward with its original limits and the design team can evaluate adding additional safety and mobility improvements such as more linear lighting, additional stormwater improvements, more extensive landscaping at the conclusion of the project, or other upgrades as determined by Region 1 and the project team.

However, if additional funding is not obtained, the project team will have to explore scope reductions to reduce project costs, which will likely result in reduced safety and mobility benefits, and may not meet the full needs and desires of the community.

ACTION REQUESTED

ODOT requests retroactive approval to apply for a RAISE grant from the U.S. Department of Transportation for \$18 million in IIJA funds.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 2, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT), Public Transportation Division requests retroactive approval to apply for a Federal Transit Administration (FTA) Grants for the Buses and Bus Facilities Program in the amount of \$14,155,246. Although the application will be submitted during the 2021-23 biennium, projects, if awarded, would be delivered during the 2023-25 and 2025-27 biennia.

AGENCY ACTION

The Grants for Buses and Bus Facilities Program makes federal resources available for competitive grants for low and no emission vehicles; to replace, rehabilitate, and purchase buses and related equipment; and to construct bus-related facilities. The national notice of funding opportunity for the federal fiscal year 2022 competitive programs was released on March 7, 2022 for the amount of \$37,200,000. States are eligible to apply on behalf of public transit providers including rural and small urban transit districts, cities, counties, and non-profit transit providers. The grant application is due no later than May 31, 2022. ODOT will focus its grant application on the needs of rural transportation providers because urban providers, who are direct FTA recipients, can apply directly to FTA.

ODOT solicited funding proposals from transit providers and received responses from five providers. ODOT intends to apply for \$14,155,246 on behalf of the following rural transit providers:

- City of Sandy (2 electric buses, 1 electric trolley, and infrastructure)
- Hood River County Transportation District (1 replacement and 1 expansion battery electric vehicle, maintenance, charging infrastructure, workforce development/training)
- Sunset Empire Transportation District (4 buses)
- Yamhill County Transit (7 replacement buses, design/engineering for operations/ maintenance facility)
- Umpqua Public Transportation District (3 electric buses and chargers, site prep, utility installation, covered parking, solar panels and equipment, preventive maintenance facility)

Matching funds will be provided by the local agencies on whose behalf ODOT is applying. For this program, the FTA requires a local match of at least 15 percent of the cost of acquiring vehicles and 20 percent of the net project costs for other projects such as the development of bus stops.

Total Project Cost: \$ 16,305,429
Grant Request: \$ 14,155,246
Matching Funds: \$ 2,150,183

This grant would fund the purchase of 16 buses including 8 low and no emission vehicles to be deployed throughout Oregon in addition to funding parking and maintenance facilities, maintenance, charging infrastructure, and workforce development and training. The replacement of older buses would decrease the proportion of the statewide transit fleet that exceeds the federal standard for useful life, an ODOT Key Performance Measure. Decreasing the proportion of the statewide transit fleet that exceeds federal useful life standards will also aid in meeting FTA Transit Asset Management goals for Oregon.

ACTION REQUESTED

ODOT requests retroactive approval to submit a grant application to the Federal Transit Administration for up to \$14,155,246 for the Grants for Buses and Bus Facilities Program.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher Strickler
Director



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 2, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Delivery and Operations Division requests retroactive approval to apply for \$36 million in federal surface transportation funding under the United States Department of Transportation's (US DOT) joint Infrastructure for Rebuilding America (INFRA) and Rural Surface Transportation (Rural) 2022 discretionary grant programs for the Interstate 5: Aurora-Donald Diverging Diamond Interchange (DDI). With the passage of the Infrastructure Investment and Jobs Act, US DOT is now issuing some grant opportunities through the Multimodal Project Discretionary Grant common application.

AGENCY ACTION

The INFRA and Rural grant programs provide federal financial assistance to a large variety of highway, bridge, and multimodal projects to improve and expand surface transportation infrastructure. They are competitive federal discretionary grant programs specifically designed to alleviate congestion and promote freight mobility, with the Rural program focused specifically on rural areas. Grants are awarded on a competitive basis to states, tribes, and local governments. A range of project types are eligible for INFRA and Rural funding, including both project development and construction activities. Competitive projects will meet the program goals of supporting economic vitality, addressing climate change, advancing racial equity, leveraging federal funding, use of innovation, safety, and accountability. The Notice of Funding Opportunity was issued by US DOT on March 22, 2022, and applications were due May 23, 2022.

ODOT has identified Interstate 5: Aurora-Donald Diverging Diamond Interchange (DDI) at exit 278 as an excellent candidate for these grants. This Interchange is the primary access point to I-5 for a vast rural area of northern Marion County. This segment of I-5 is part of the nation's network of designated major freight corridors and carries at least 8,500 trucks each day and more than 50 million tons of freight each year.

The current configuration cannot accommodate current and growing travel demands through these corridors. Built approximately 60 years ago for a much lower traffic volume, the Interchange has been over capacity at peak times for years. Both off-ramps frequently back vehicles up onto the freeway. The volume of traffic, proximity of connecting roads and access points, and poor visibility cause congestion and safety concerns around the Interchange and contribute to its characterization as the worst unsignalized interchange on I-5.

The Aurora-Donald Interchange project is a critical improvement that will enhance freight mobility and improve traffic flow and safety at this interchange. The Aurora-Donald Interchange Project was a named project in House Bill 2017 (2017 Transportation Funding Package) and received \$25 million to complete construction of phase one. The award of \$36 million in INFRA or Rural grant funding will leverage existing funds dedicated to this project and enable ODOT to complete the project in a single phase instead of two resulting in substantial cost savings.

Total Phase 2 project cost:	\$ 60,300,000
INFRA Request:	\$ 36,000,000
State Highway Funds match:	\$ 12,060,000
Other Federal Funds match:	\$ 12,240,000

The INFRA grant program limits grant funding to 60 percent of the project cost, and non-Federal match must be at least 20 percent. Matching funds for Aurora-Donald include \$12.06 million already programmed in the STIP, with the remainder coming from savings from prior federal projects. If grant funding is obtained, phase 2 will be able to move forward with design, leveraging existing funding and bringing additional safety and mobility improvements to the Interchange. However, if additional funding is not obtained, ODOT will complete phase 1, which will have a design life of 8 to 10 years, and continue to pursue funding for final design and construction of phase two.

ACTION REQUESTED

ODOT requests retroactive approval to apply for \$36 million in federal surface transportation funding under the US DOT INFRA and Rural 2022 discretionary grant programs.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 2, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Delivery & Operations Division requests retroactive approval to apply for \$52.65 million in federal surface transportation funding under the United States Department of Transportation's (US DOT) joint Rural Surface Transportation (Rural) and Infrastructure for Rebuilding America (INFRA) grant programs for the US 97 Redmond South Corridor Freight, Connectivity, and Multimodal Improvements Project (US 97 Project). With the passage of the Infrastructure Investment and Jobs Act (IIJA), US DOT is now issuing some grant opportunities through the Multimodal Project Discretionary Grant common application. The Rural grant program is new under IIJA and is funded with \$2 billion, while the INFRA program has received additional funding under IIJA of \$8 billion over five years.

AGENCY ACTION

The INFRA and Rural grant programs provide federal financial assistance to a large variety of highway, bridge, and multimodal projects to improve and expand surface transportation infrastructure. They are competitive federal discretionary grant programs specifically designed to alleviate congestion and promote freight mobility, with the Rural program focused specifically on rural areas. Grants are awarded on a competitive basis to states, tribes, and local governments. A range of project types are eligible for INFRA and Rural funding, including both project development and construction activities. Competitive projects will meet the program goals of supporting economic vitality, addressing climate change, advancing racial equity, leveraging federal funding, innovation, safety, and accountability. The Notice of Funding Opportunity was issued by US DOT on March 22, 2022, and applications were due May 23, 2022. Awards are expected to be announced in late 2022.

ODOT has identified the US 97 Project as an excellent candidate for these programs. This project will invest in safety, freight mobility, and multimodal connectivity throughout the US 97 and OR 126 corridors in Redmond. The project also makes significant investments in a new Eastside Industrial Arterial that will improve freight mobility and relieve congestion on US 97 and OR 126. The project will benefit people using all modes of transportation by providing safer, more connected, and less congested transportation corridors through Redmond.

The US 97 Project was selected as a priority for this grant program because it is a priority for ODOT and the City of Redmond; it aligns with ODOT's Strategic Action Plan; and the project is a natural fit for both Rural and INFRA programs:

Total Project Cost:	\$ 105,000,000
Grant Request:	\$ 52,650,000
Matching Federal Funds:	\$ 27,350,000
Matching State and Local Funds:	\$ 25,000,000

The INFRA grant program limits grant funding to 60 percent of the project cost, and non-Federal match must be at least 15.37 percent. Federal contributions total \$27.35 million and consist of IJJA flexible matching funds, Preservation funds currently programmed in the STIP, and Operations and Pedestrian & Bicycle Strategic Program funds. State and local contributions total \$25 million and consist of \$5 million from HB 2017 (2017) Preservation funds and \$20 million from the City of Redmond. The proposed match amount is intended to make the application competitive for both the Rural and INFRA programs, as past experience indicates a 40 to 50 percent match leads to the greatest likelihood of success in federal grant applications of this type.

If awarded, the Rural/INFRA funding would be added to an existing project, allowing ODOT to fully fund the existing scope on US 97 while simultaneously adding scope to fully fund improvements on OR 126 and on the City's Eastside Industrial Arterial network. Rural and INFRA funds must be obligated by September 30, 2025 and construction must begin by March 30, 2027. No additional staffing is needed; ODOT may need to return for additional Other Fund expenditure limitation if the grant is awarded. If ODOT is not awarded this federal grant, federal funding will be pursued through other grant applications; however, absent additional federal funding this project is unlikely to move forward until at least the 2027-2030 STIP.

ACTION REQUESTED

ODOT requests retroactive approval to apply for \$52,650,000 in federal surface transportation funding under the US DOT Rural and INFRA 2022 discretionary grant programs.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director