

ANALYSIS

Department of Transportation OR 99 Phoenix

Analyst: Michelle Deister

Request: Approve the request from the Department of Transportation to apply for a federal grant from the U.S. Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program in the amount of \$20,000,000 for improvements to OR 99 in Phoenix, Oregon.

Analysis: The Department of Transportation (ODOT) seeks permission to apply for a federal grant from the RAISE program in the amount of \$20,000,000 to fund additional improvements to Oregon 99 in Phoenix, Oregon. A project is currently underway in the area, with a scope valued at \$24.2 million. A successful grant application will enable the second phase of the planned project to be accelerated, which consists of pedestrian safety measures including sidewalks and enhanced crosswalks, as well as bike lanes, drainage, widening, and a two way left turn lane.

A previous application for this project was well received but not ultimately approved, and ODOT was encouraged by its federal partners to reapply. Matching funds in the amount of \$4 million would come from State Highway Fund dollars (fuels taxes, fees, and weight/mile assessments). Applications are due February 28, 2023. If awarded, the agency will amend the scope of the project in the State Transportation Improvement Plan and return to the Legislature to seek additional expenditure limitation if necessary. Obligation of funds is necessary by September 30, 2027 and funds must be expended no later than September 30, 2032. No additional agency positions are anticipated to be necessary to meet obligations under the terms of this grant.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval.

Oregon Department of Transportation Lisper

Request: Authorization to apply for a \$20.0 million Rebuilding American Infrastructure with Sustainability and Equity grant, under the Infrastructure Investment and Jobs Act, from the U.S. Department of Transportation to expand the scope of the Oregon Route 99 in Phoenix, Oregon project.

Recommendation: Approve the request.

Discussion: The Oregon Department of Transportation (ODOT), Delivery and Operations Division has a current project underway, which is making road surface improvements on Oregon Route 99 from the Glenwood to Matt Loop section within Phoenix. The Phoenix community was impacted by the 2020 Almeda Fire and is adjacent to an economically distressed residential neighborhood in the midst of rebuilding.

The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant is a federal competitive grant opportunity that falls under the Infrastructure Investment and Jobs Act (IIJA) federal funding program. The current Phoenix project is within the State Transportation Improvement Program that was previously approved by the Oregon Transportation Commission to repair this section of Route 99. If awarded, the RAISE grant would allow the project to expand the scope of work to include a much-needed shoulder to allow for both pedestrian and bicycle commuting traffic. The table below shows the current project scope funding and the potential funding from the new grant.

	Current Project	Potential Grant	Total
Federal Funds	\$ 17,522,707	\$ 20,000,000	\$ 37,522,707
State Highway Funds	\$ 6,706,117	\$ 4,000,000	\$ 10,706,117
Local Funds	\$ 10,700		\$ 10,700
Total Funds	\$ 24,239,524	\$ 24,000,000	\$ 48,239,524

The grant notification was published on November, 30, 2022. The grant application is due on February 28, 2023, with an award date of June 28, 2023. If awarded, the funds must be obligated by September 30, 2027, and fully spent by September 30, 3032. The grant would require a state match of \$4.0 million in state funding, which would come from the State Highway Fund account. If awarded, ODOT may need to return and request additional Other Funds expenditure limitation sometime during the 2023-25 biennium.



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

January 25, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, 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

The Oregon Department of Transportation (ODOT) Delivery and Operations Division in Region 3 requests permission 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

The Notice of Funding Opportunity was published on November 30, 2022, and the grant application is due February 28, 2023. Awards will be announced by June 28, 2023. A total of \$1.5 billion is available in the FY 2023 RAISE Grant Program. ODOT has identified the Oregon 99 project in Southern Oregon as an excellent candidate that aligns with 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. 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, the City of Phoenix, and the Oregon Transportation Commission (OTC).

Two pedestrians have been killed in this area in the last several years. This location was also in the path of the 2020 Almeda Fire, which destroyed 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 a critical means of getting around the community. Many who were displaced by the 2020 Almeda 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.

	Current Scope	Phase Funded by Grant	Total Project Cost
Federal Funds	\$ 17,522,707	\$ 20,000,000	\$ 37,522,707
State Highway Funds	\$ 6,706,117	\$ 4,000,000	\$ 10,706,117
Local Funds	\$ 10,700	--	\$ 10,700
Total	\$ 24,239,524	\$ 24,000,000	\$ 48,239,524

Matching funds will be paid for by the Oregon State Highway Fund (SHF). The SHF is dedicated revenue received by ODOT through a gas tax charged per gallon of fuel purchased, driver and motor vehicle fees, and a tax on heavy trucks. These funds are used to fund ODOT state maintenance and operations, projects, and are also utilized to match federal formula funding received from Federal Highway Administration (FHWA). RAISE grant funds are available for obligation through September 30, 2027, and all funds must be expended by September 30, 2032. The segment from Coleman Creek to Glenwood Road is a current STIP project, and improvements are currently underway. If awarded, this RAISE grant will expand the scope of an existing STIP project to leverage funds already dedicated to OR99 in Phoenix. If grant funds are awarded, the agency will amend the STIP and will return to the legislature to request additional expenditure limitation if needed.

If this proposed project is not funded, the next segment of the corridor will be left with inadequate bike lanes and non-existent shoulders; please see two attached maps illustrating the existing project and project expansion the grant would allow. 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.

ACTION REQUESTED

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

LEGISLATION AFFECTED

None.

Sincerely,

Kristopher W. Strickler
 Director