

The Legacy of HB 2017

February 6, 2024

Joint Committee on Transportation

Oregon Department of Transportation

Roadmap

- HB 2017 Background, Passage, and Implementation
- HB 2017 Construction Program
- Connect Oregon Program
- Statewide Transportation Improvement Fund
- Safe Routes to School Program
- Urban Mobility Strategy
- HB 2017 Today

HB 2017 Background



- **2015-2016:** Gov. Brown's Transportation Vision Panel toured the state to learn about Oregonians' priorities. The panel recommended significant investments in the state's transportation system.



- **2016:** The Joint Committee held 13 meetings in 10 communities throughout Oregon.



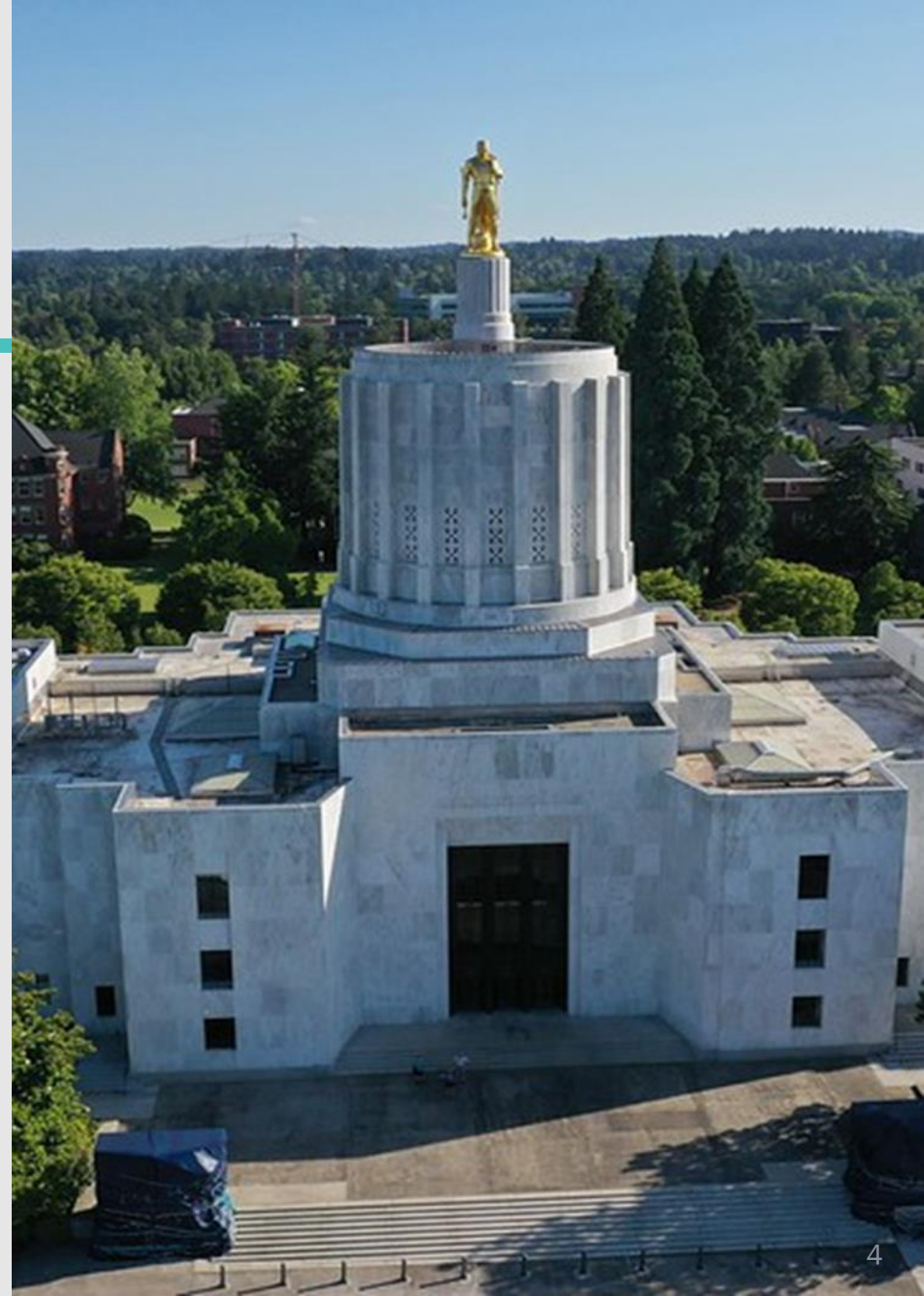
- **2016:** The Legislature convened the Joint Committee on Transportation Preservation and Modernization to gather information regarding transportation needs and concerns across the state.



- **2017:** The Legislature passed House Bill 2017, making significant investments in Oregon's transportation system.

Central Themes of HB 2017

- Transportation Investments
- Congestion Relief
- Safety
- Transparency & Accountability
- Diversifying Revenue



HB 2017: Transportation System Investments



Created **Statewide Transportation Improvement Fund**, expanding and enhancing transit connectivity and bus services in rural and urban communities.



Accelerated the transition to **electric and zero emission vehicles** through funding purchaser rebates.



Supported **roadway and multimodal improvement projects** across the state through increase in the **Statewide Transportation Improvement Program**.



Made **Connect Oregon** a permanent program with new funding mechanism and dedicated investments for **bicycle and pedestrian infrastructure**.



Created **Safe Routes to Schools Program** infrastructure to increase students walking and biking to school safely.

HB 2017: Congestion Relief



Directed **tolling on I-5 and I-205** to manage congestion and generate revenue for future transportation improvements.



Directed the **OR 217 project** to increase safety, manage congestion, and create new bike/ped options.



Directed the **I-205 Improvements Project and I-205 technology improvements**, to enhance seismic resiliency, improve safety and reliability, and manage congestion.



Directed the **I-5 Rose Quarter project**, to increase safety and reliability, create community connections, and build new bike/ped options.

HB 2017: Safety



Invested in projects across the state for **safety and seismic upgrades**.



Invested in projects across the state to **improve state bridges, highways, and culverts**.



Directed **jurisdictional transfers** between ODOT and local governments.



Invested in **roadside rest area** improvement and maintenance.



Directed **use of salt** in statewide winter maintenance strategy.



Provided historic levels of investment to cities and counties for **improvements and maintenance of local infrastructure**.

HB 2017: Transparency & Accountability



Each fuel tax increase conditioned on ODOT meeting **accountability requirements**.



ODOT and local governments **report on the condition of roads and bridges**.



All gas tax funds must be spent on roads, so they can't be diverted for other purposes.



ODOT created a **transparency, accountability, and performance website**.



OTC appointed the **Continuous Improvement Advisory Committee**.



Strengthened OTC oversight and direction of ODOT **internal audits**.

Sources & Distribution of HB 2017 Revenue

NEW (non-State Highway Fund)

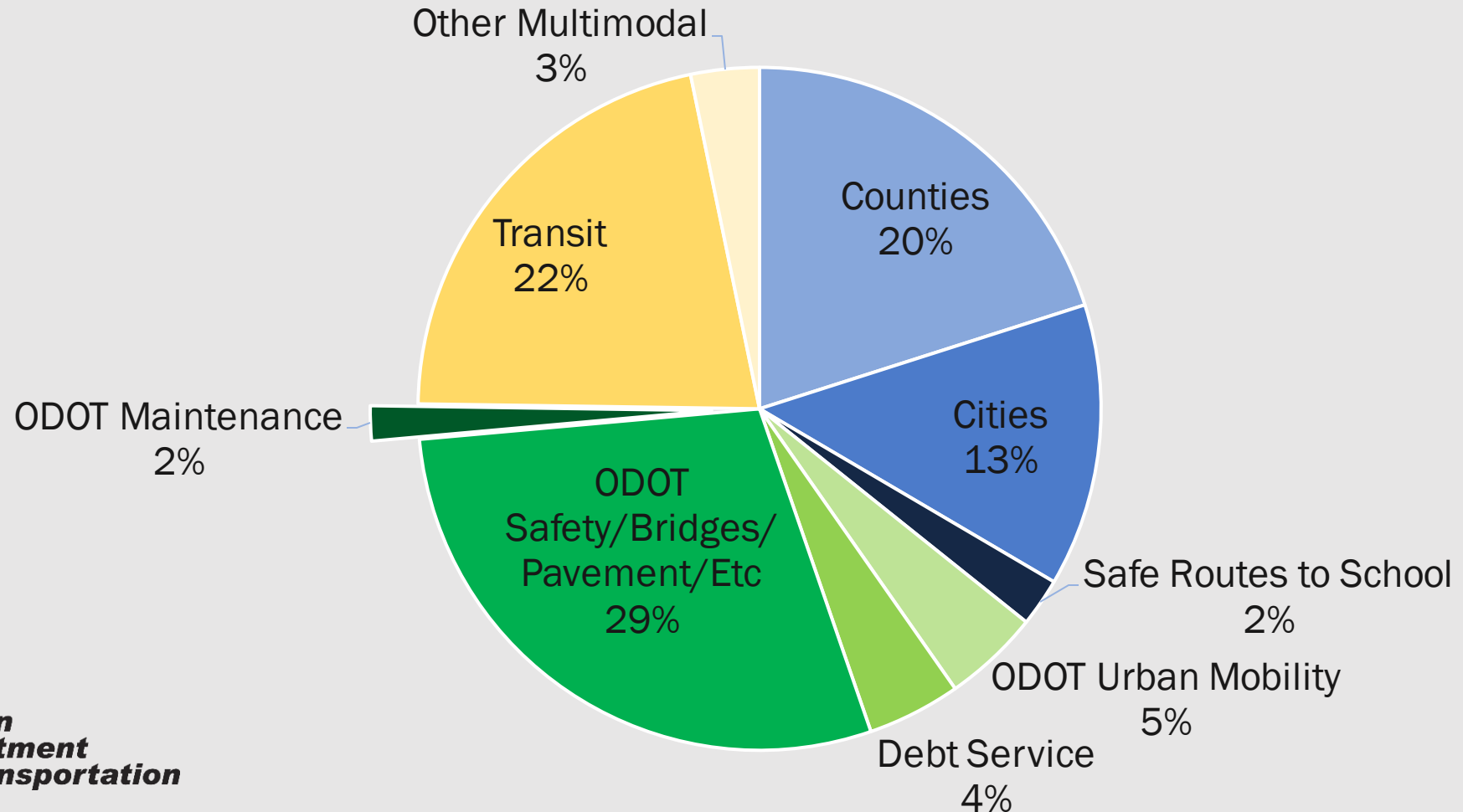
0.1% Payroll (Transit) Tax	→	Statewide Transportation Improvement Fund (STIF)	→	<ul style="list-style-type: none"> Expand and/or improve transit options Increased connectivity
\$15 Bike Excise Tax	→	Multimodal Active Transportation Fund	→	Bike/Ped off-system projects
Light Vehicle Dealer Privilege Tax <i>- After 45% to DEQ for EV Rebate Program</i>	→	Connect Oregon	→	Dedicated projects, Connect Oregon Program

INCREASED (State Highway Fund)

Light Vehicle Use Tax <i>(new)</i>	→	State Highway Fund	→	<u>Off-the-top</u> <ul style="list-style-type: none"> \$15M/year for Safe Routes to Schools \$30M/year for the Urban Mobility Strategy
Weight-mile Tax				<u>Apportionment</u> <ul style="list-style-type: none"> 50% to ODOT <ul style="list-style-type: none"> \$10M Safety 70% Bridge and Seismic 24% Preservation 6% Maintenance 30% to Counties 20% to Cities
Motor Fuels Tax				
DMV Vehicle Registration & Title Fees				

HB 2017 Funding Distribution

Forecast for FY 2025; \$658 million total projected revenue

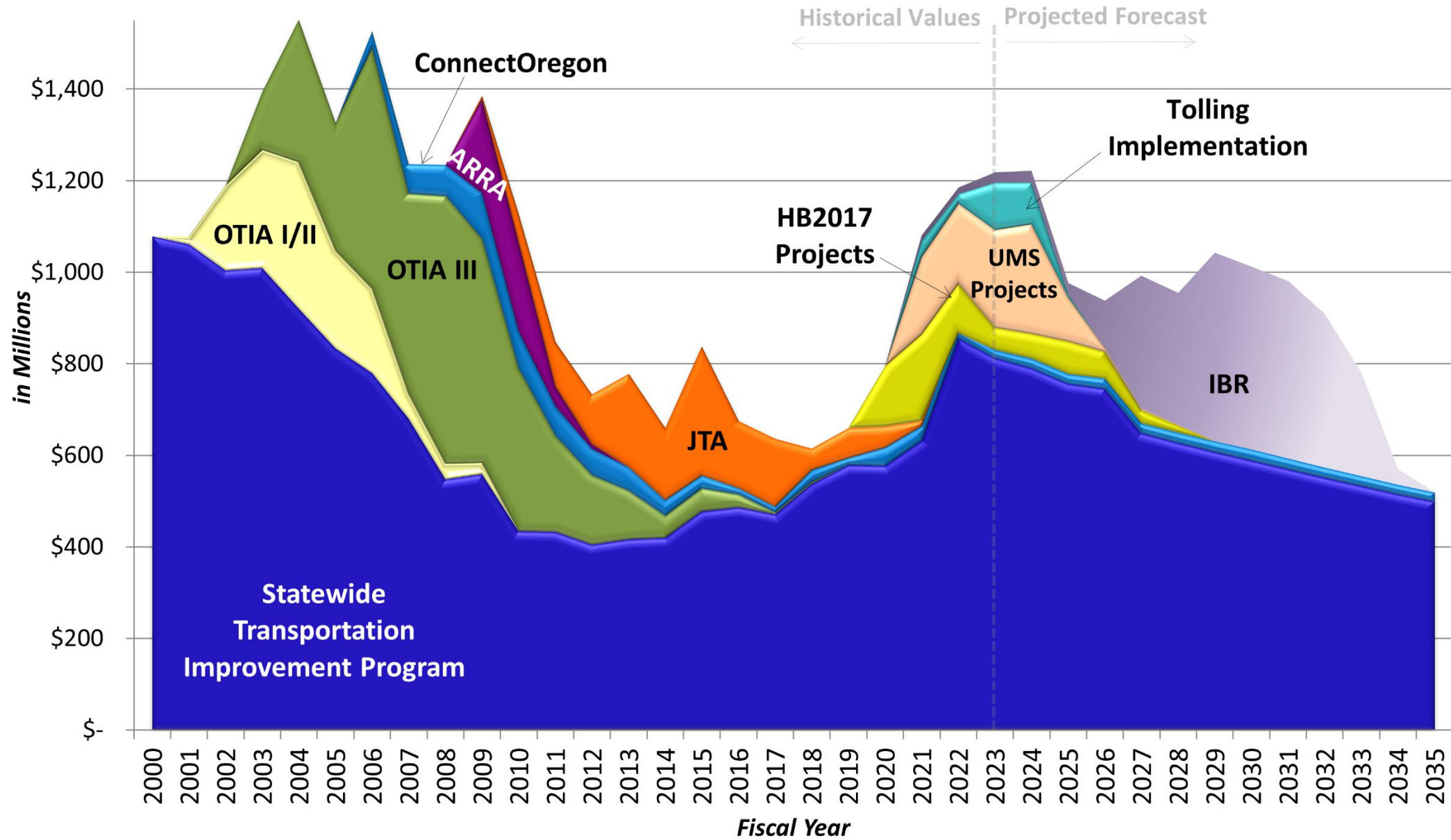


HB 2017 Construction Program

Mac Lynde

Administrator, Delivery and Operations Division

ODOT Construction Programs Adjusted for Inflation Baseline Year 2023



HB 2017: Project Funding 2018 - 2027



- **Legislatively directed projects** funded by state highway funds and bond proceeds:
 - 15 Local projects.
 - 22 State projects.
- **Annual ODOT Funding**
 - Safety: \$10 million
 - Bridges: \$71 million (40%)
 - Seismic: \$53 million (30%)
 - Pavements/Culverts: \$42 million (24%).
 - Maintenance (*operations only*): \$10 million (6%).

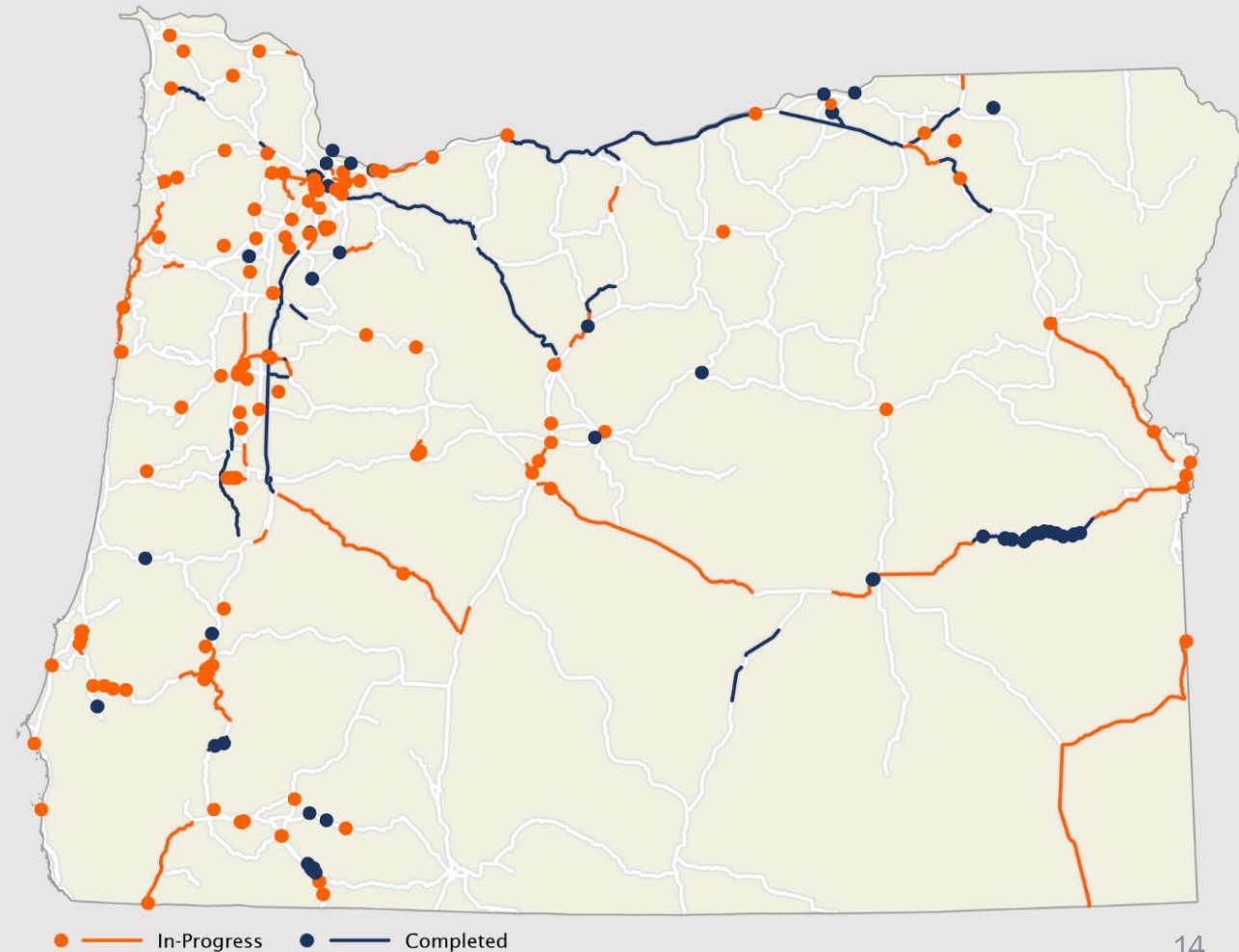
HB 2017: Portfolio Delivery

Named Projects on State System

- Per legislative direction, projects staggered to start 2018-2025 (based on cash flow).
- Funding leveraged with federal funds and grants.
- 10 completed, 6 in construction, 6 planned for construction in 2024/2025.

STIP Projects

- Ongoing investment in transportation assets.
- Benefit to urban and rural communities.



HB 2017: STIP Project Delivery Performance

STIP Projects

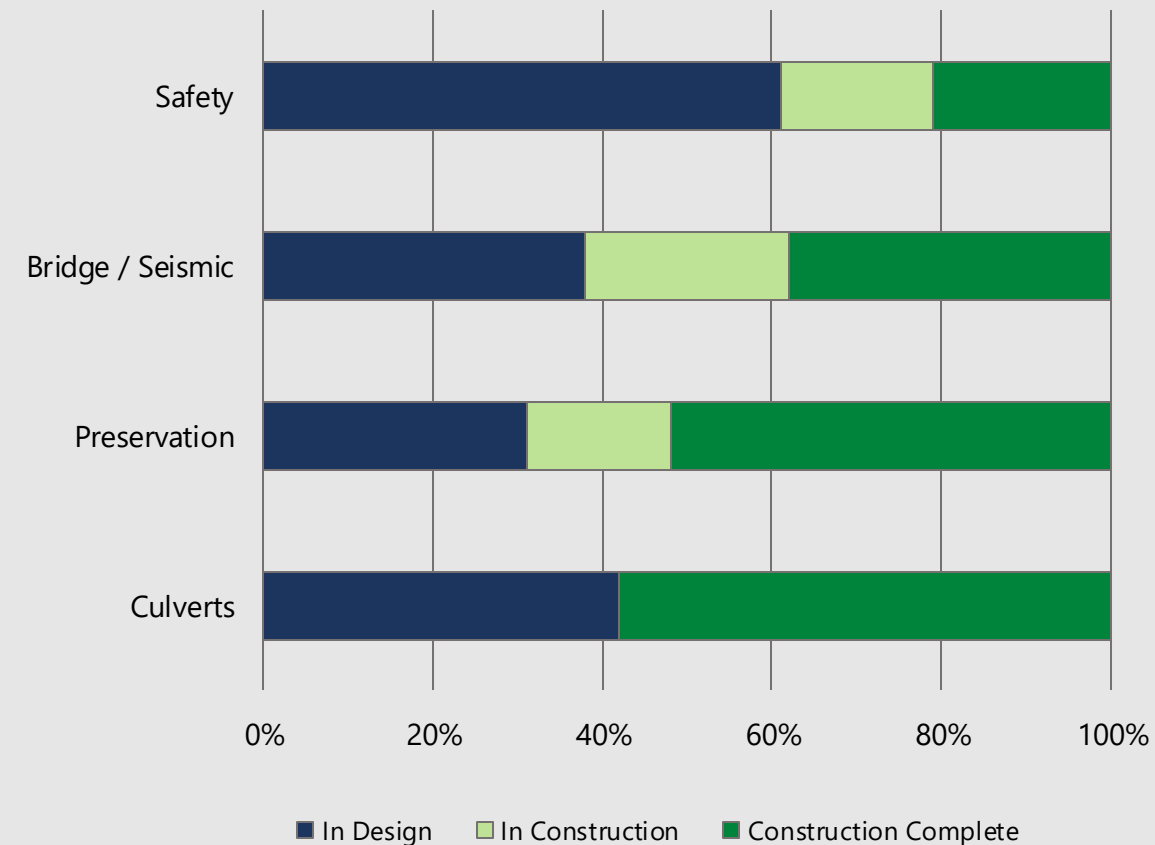
- 4-year project plan updated every 3 years
- Snapshot in time through 2027
- Adjusting portfolio of projects to meet inflation impacts

Key Stats

145 projects varying in size, scope, scale (2018-2027)

- **2018 – 2021 STIP**
 - 25 projects completed (100% delivered)
- **2021 – 2024 STIP**
 - 53 projects in construction/completed
 - 18 projects in design for 2024 construction
 - 75% in construction/completed
- **2024 – 2027 STIP**
 - 49 projects identified (in initial design phase)

HB 2017 Progress: 9-year Snapshot



HB 2017: Project Outcomes 2018-2027



Bridges & Seismic

33 replacements
513 rehabilitations



Pavement

500 miles paved
100 miles of chip seal



Safety

30 projects funded
11 addressed intersection safety
16 focused on vulnerable users



Culverts

90+ repaired or replaced

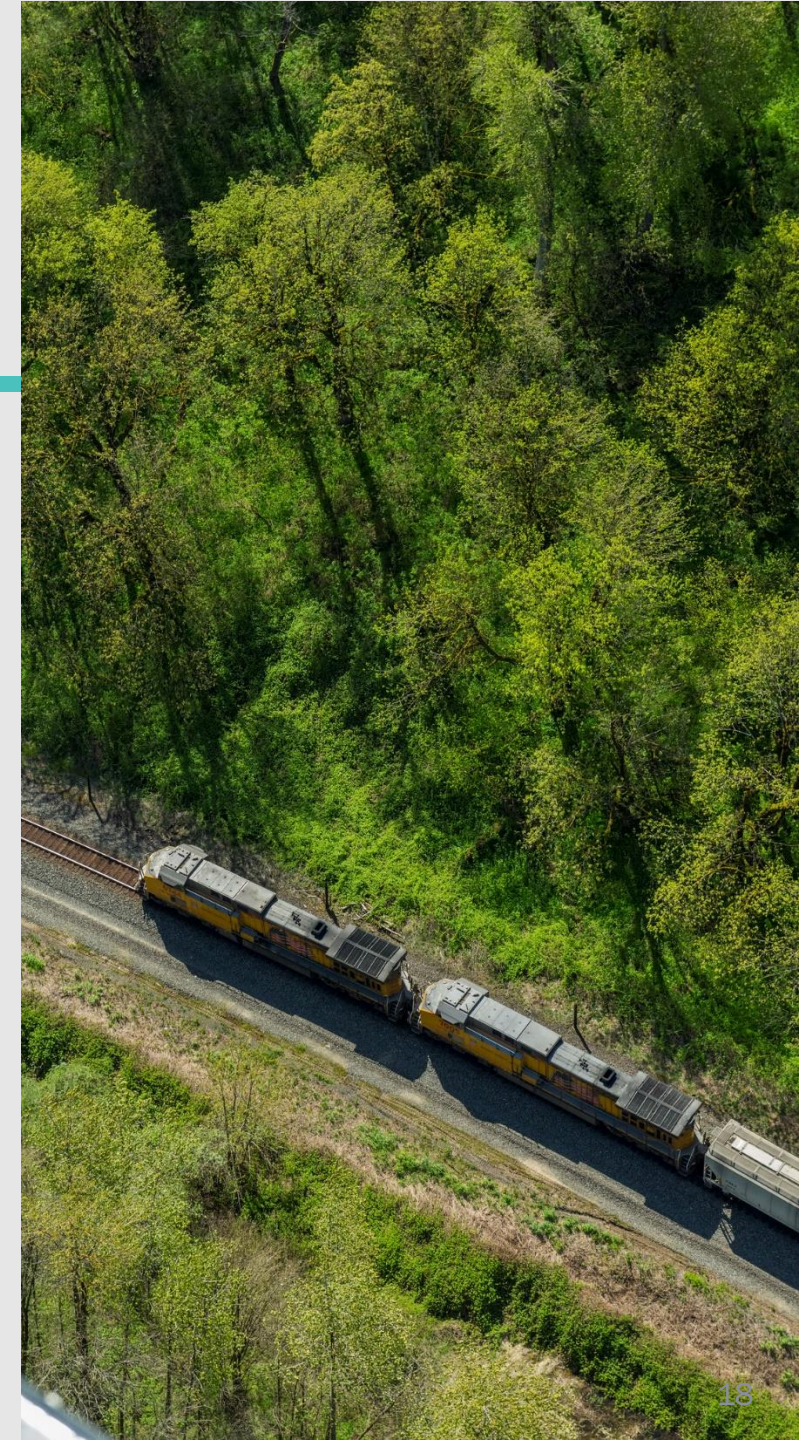
Connect Oregon

Amanda Pietz

Administrator, Policy, Data and Analysis Division

History of Connect Oregon

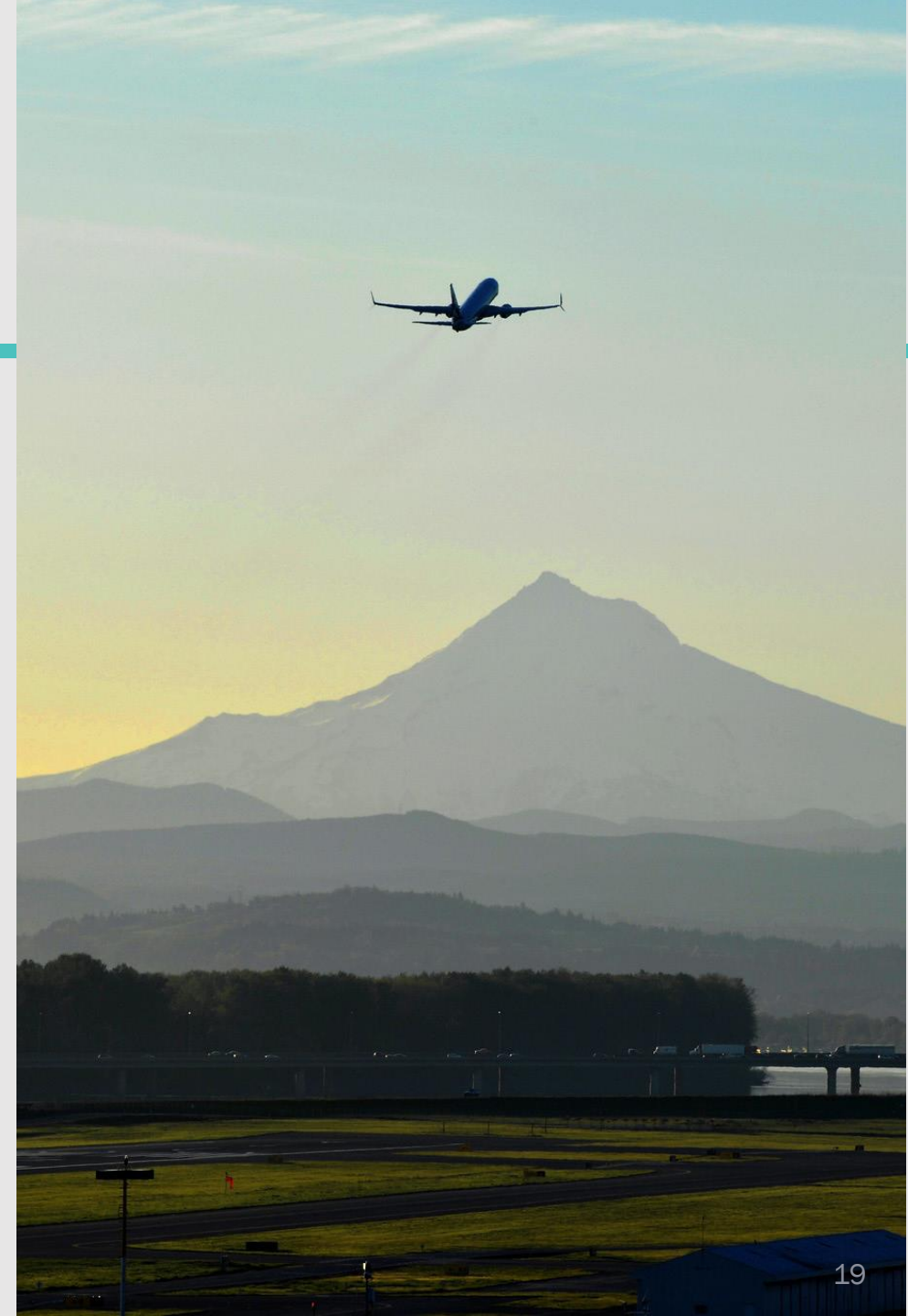
- The 2005 Legislature created the **Connect Oregon program** to invest in non-highway modes of transportation.
- The program is **unique to Oregon** and receives no federal funding.
- Prior to HB 2017, each of 6 competitive rounds were funded through **legislatively-directed lottery bond revenues each biennia**.
- Earlier rounds included **transit and bicycle & pedestrian** projects as eligible; those modes were shifted to other programs as result of HB 2017.
- Today, Connect Oregon funds **aviation, marine, and rail** transportation projects.



HB 2017 Changed Connect Oregon

HB 2017 created dedicated funding through the Light Vehicle Dealer Privilege Tax, making Connect Oregon a permanent program.

- 45% of privilege tax funds allocated to DEQ for EV rebates, minimum of \$12 million annually.
- HB 2017 enables a ~\$50M competitive cycle.
- HB 2017 statutorily dedicated 4 Connect Oregon projects.



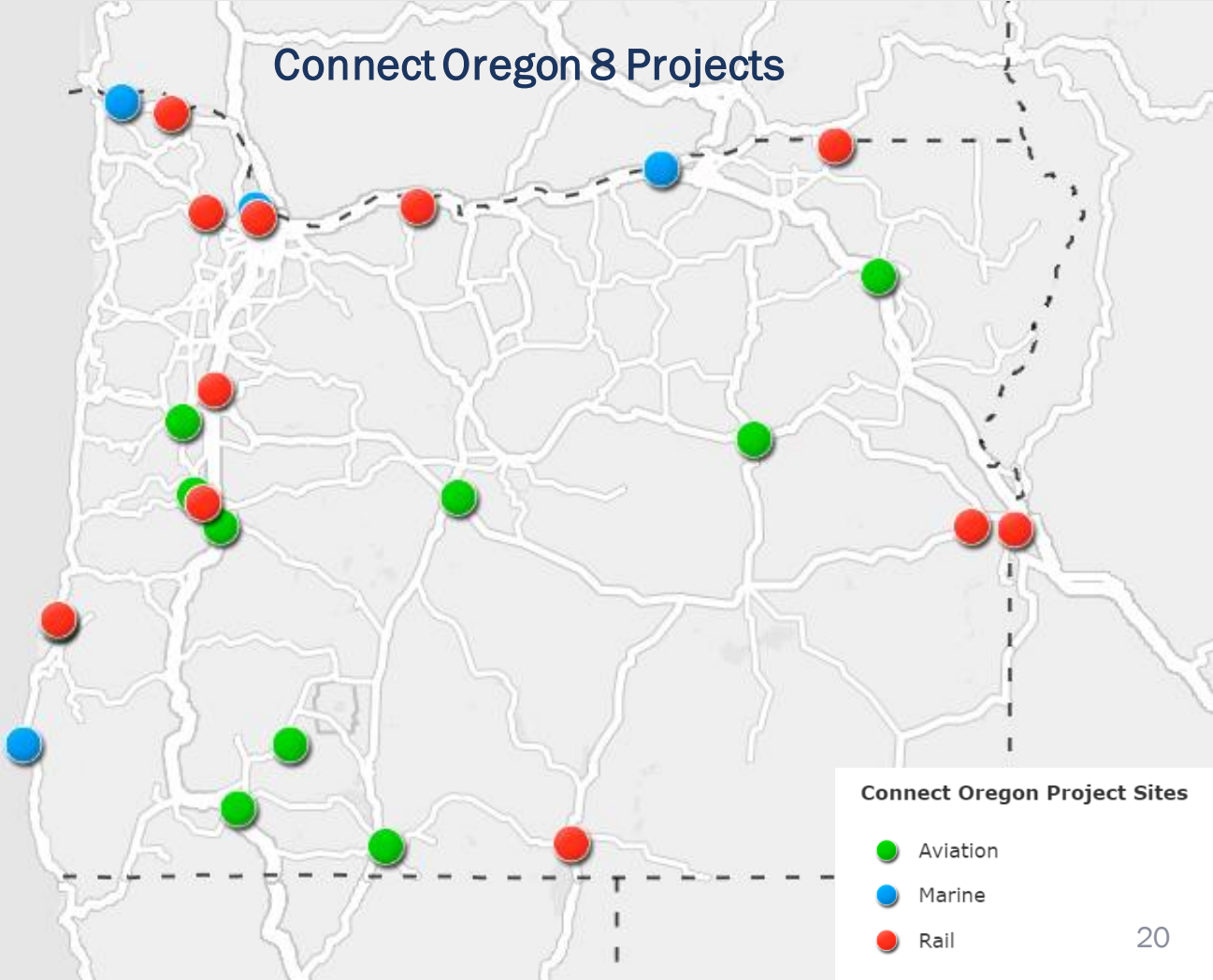
Connect Oregon Projects

7 competitive cycles between 2005 - 2022

- Over \$463 million awarded to 221 projects

Connect Oregon 8 (2021-22)

- \$130 million requested
- \$46 million awarded to 21 projects
- Over-subscribed nearly 3:1
- 15 projects on schedule
- 5 complete
- 1 canceled



Connect Oregon Spotlight: Port of Morrow

\$2.1 million for new grain bin

- Connect Oregon 8 project.
- Built on previous program investment directed in HB 2017 (\$6.5M).
- Brought in rail to barge exports that previously went through Canada.
- Supports High Efficiency Product rail cars.
 - Boosts weight capacity by 10% and volume by 15%.
- Services 8,500-foot-long unit trains.
- Transfer to barge avoids rail congestion through Columbia River gorge.



Statewide Transportation Improvement Fund

Suzanne Carlson

Administrator, Public Transportation Division

STIF Program Overview

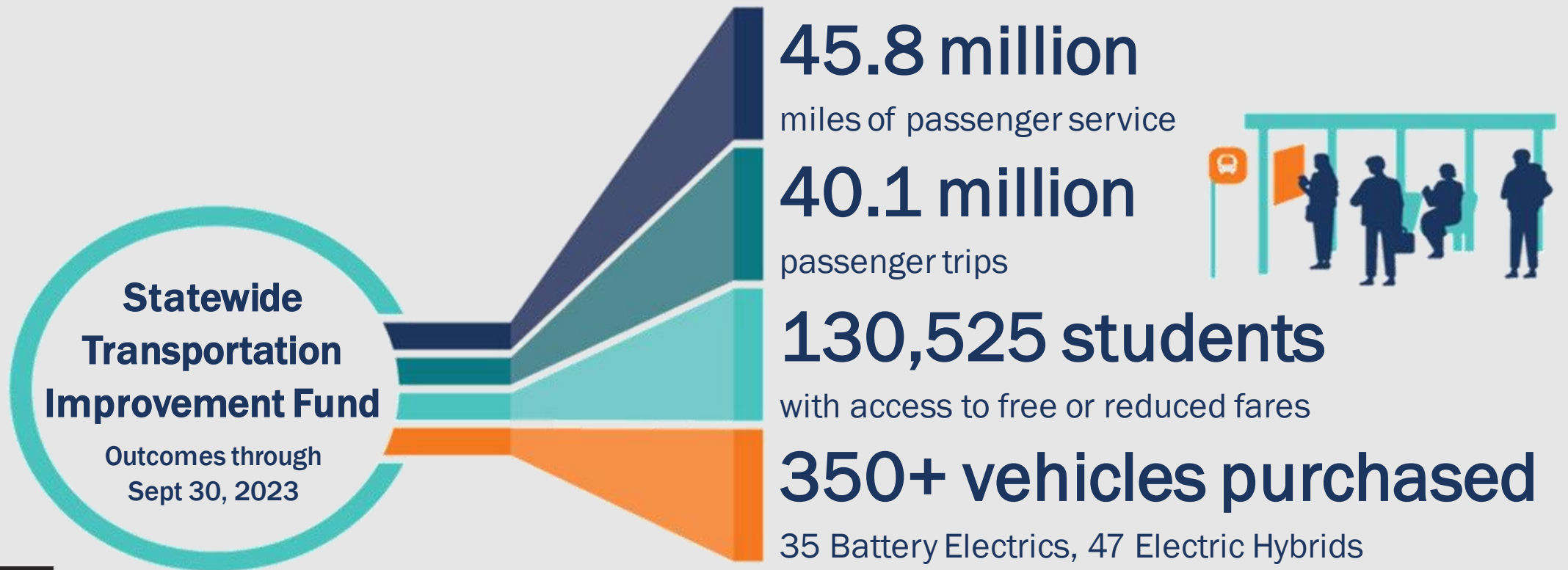
HB 2017 created the **Statewide Transportation Improvement Fund**, Oregon's first dedicated funding for public transportation.

- Instituted a 0.10% employee payroll tax.
- Allocated across four programs:
 - 90% formula to qualified entities
 - 5% intercommunity competitive
 - 4% discretionary competitive
 - 1% for a Technical Resources Center
- STIF 2023-25 Formula plans have over \$50M in elderly and disabled projects - up from \$22M per biennium prior to STIF.

At approximately **\$120M per year**, STIF tripled ODOT's funding to transit providers.



Expanding and Enhancing Oregon's Transit System



Transit Routes Made Possible with STIF Funding



Oregon Intercity Transit Network
FY 2023 - 2025



STIF Funded Routes



STIF Spotlight: Harney County

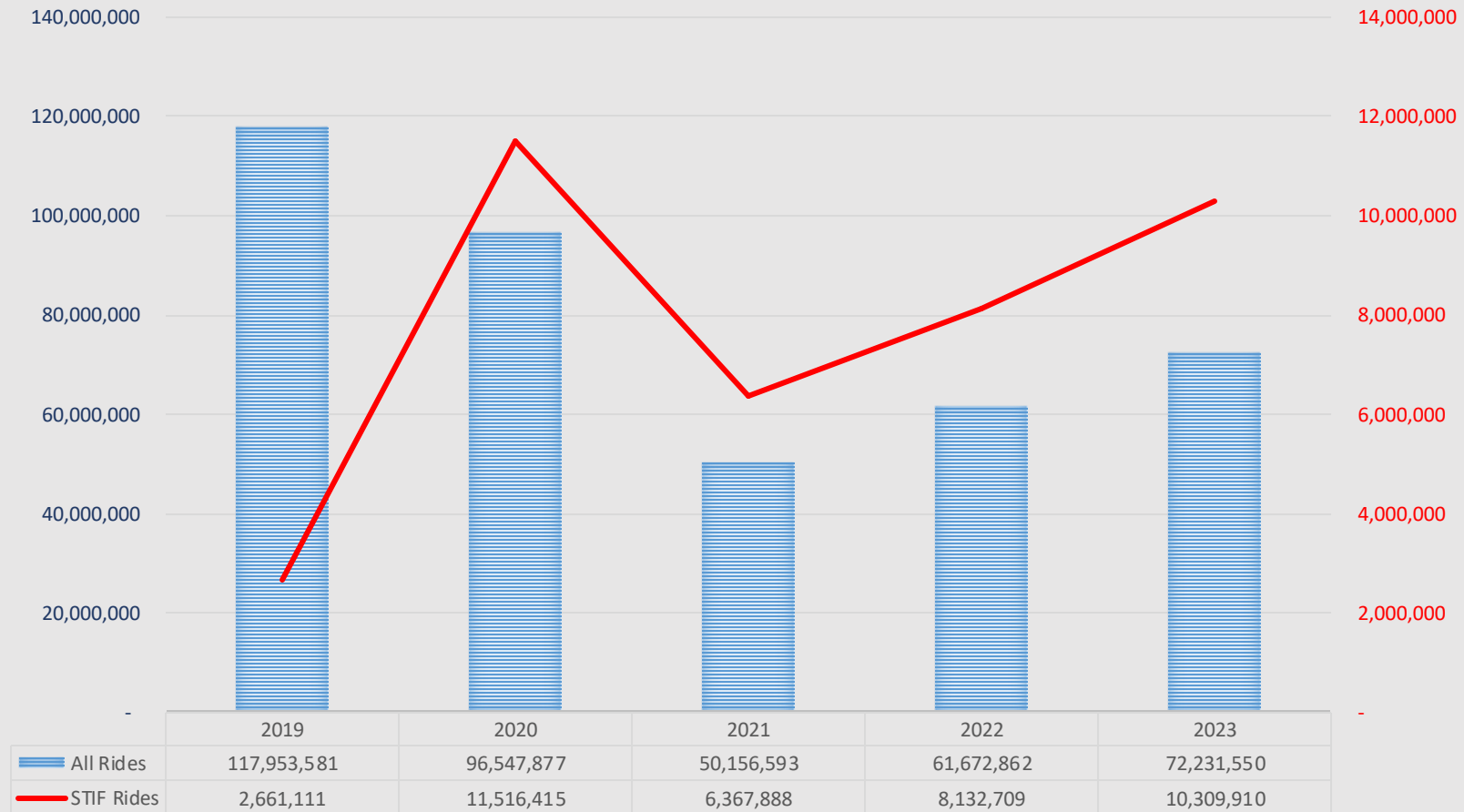
STIF enhanced livability for rural communities in Harney County.

- Provides free transit service in Burns, Hines, and the Burns Paiute Reservation.
- Harney Hub and the Burns-Paiute Tribe partnered in 2023 to provide free transit outside of Tribal transit service hours.
- Created a free fare transit connection to Bend.
- Purchased additional transit vehicles.
 - Replacing older fleet vehicles experiencing mechanical issues and higher milage.



Ridership Recovery and STIF

OREGON TRANSIT RIDERSHIP



Transit Funding and Ridership Landscape



Ridership Changes



Equity



Buses and Capital



Climate Goals

Safe Routes to School

Suzanne Carlson

Administrator, Public Transportation Division

SRTS Program Overview

- HB 2017 established Oregon's Safe Routes to School (SRTS) Infrastructure Program.
- Improve access so students can safely bike and walk to school.
- HB 2017 provided \$10 million per year beginning in 2018 and \$15 million per year beginning in 2023.
- Additional IIJA funds allocated by the OTC.
- SRTS is over-subscribed nearly 3:1.



SRTS Program Delivery

SRTS Projects (2019-23)

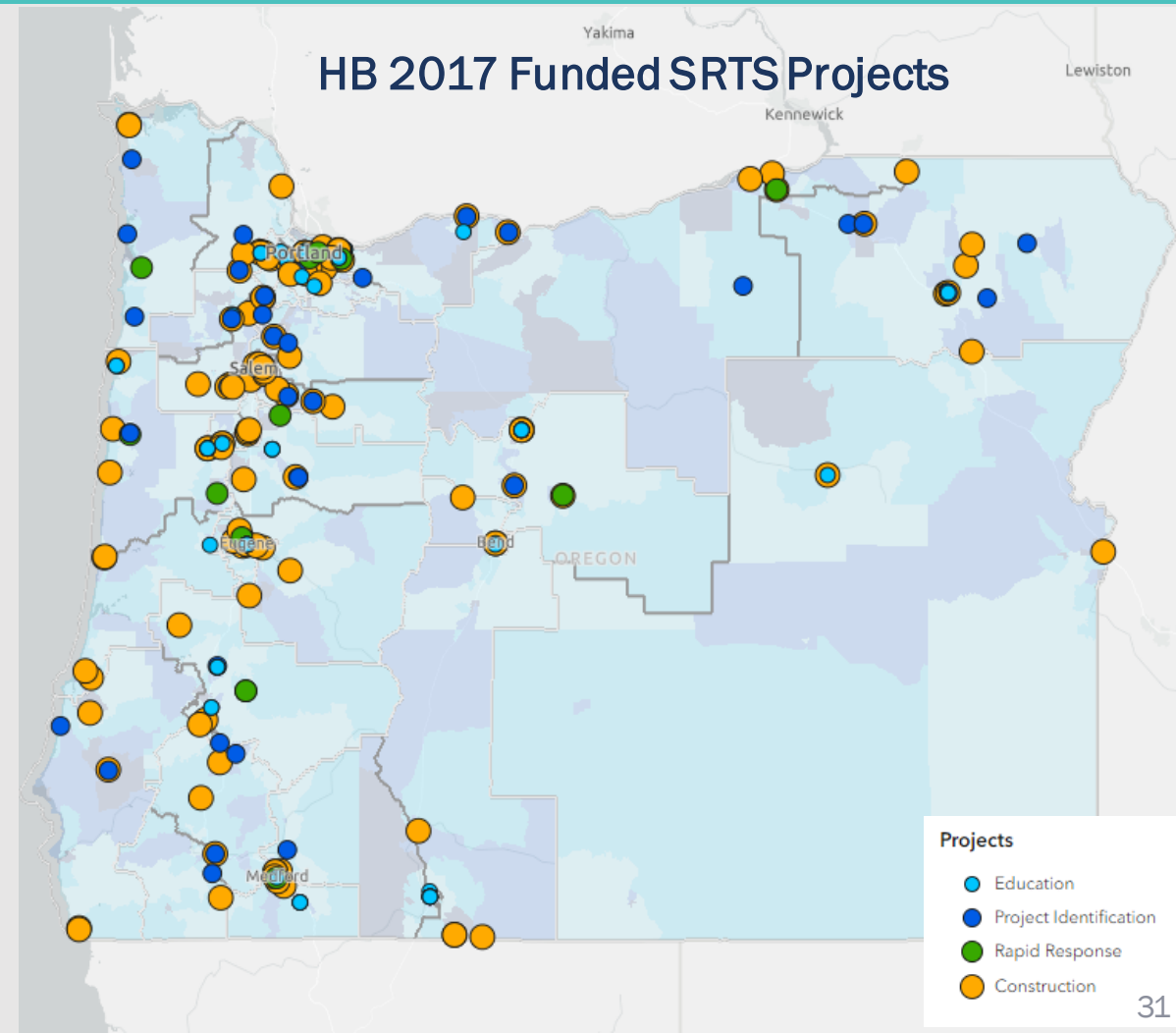
- 103 construction projects using HB 2017 funds
 - 33 complete
 - 14 in construction
 - 56 in design
- 24 education projects using federal funds

2023-24 competitive cycle

- \$73M in requests from 99 applicants
- ODOT funded \$28M (38%) of requests

Grant cycle opens February 2024 (\$30M)

- Projects begin January 2025



SRTS Spotlight: City of La Grande

Before Construction



After Construction



Urban Mobility Strategy

Brendan Finn

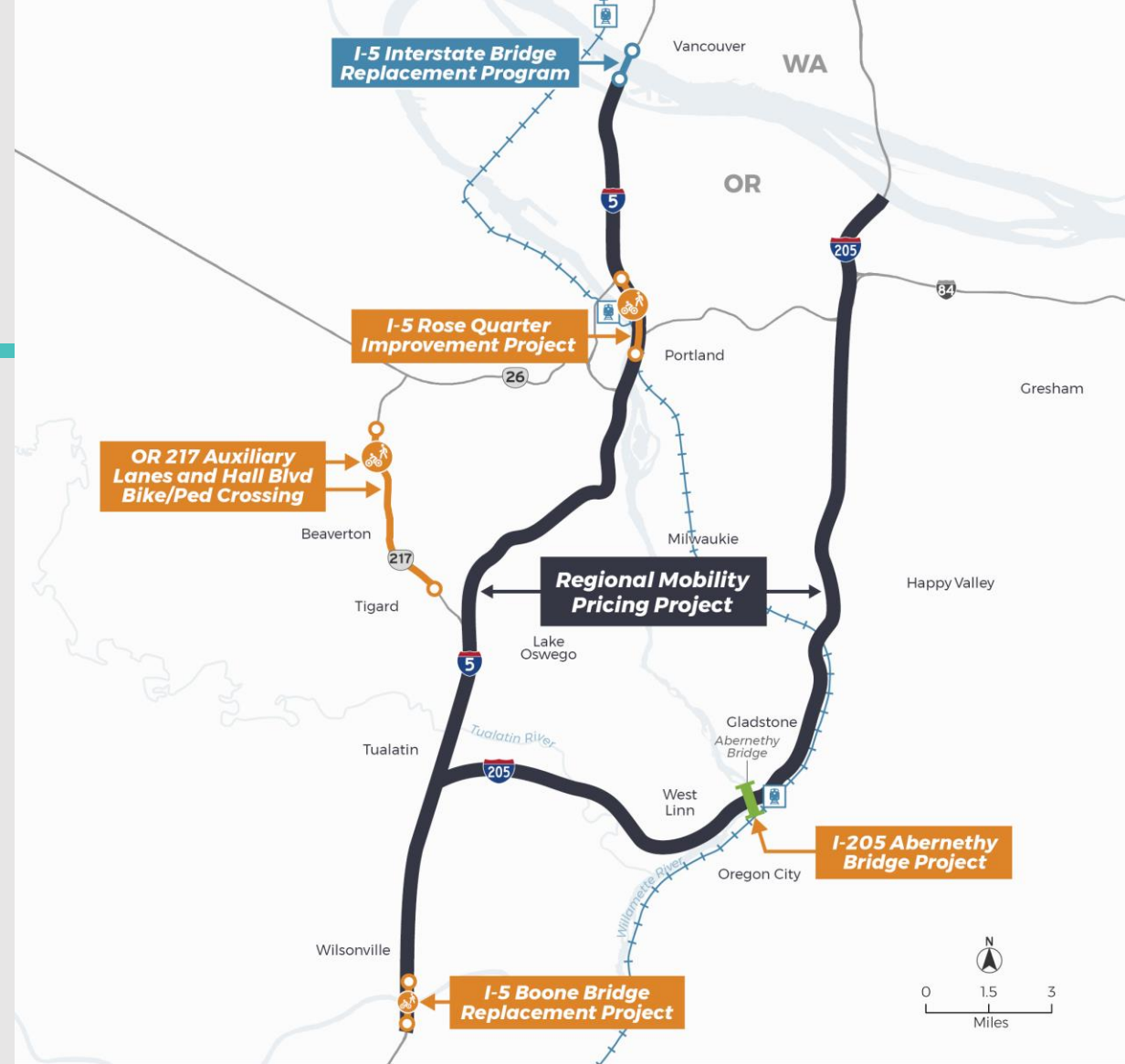
Director, Urban Mobility Office

Urban Mobility Strategy

The Urban Mobility Strategy was developed to reduce congestion, improve safety, and modernize our aging transportation system.

Urban Mobility Strategy projects directed by HB 2017:

- I-205 Improvements
- OR 217 Auxiliary Lanes
- I-5 Rose Quarter Improvement Project
- I-5 and I-205 Toll Projects



Urban Mobility Strategy Map

ODOT Projects

System Improvement Project

Bike/Pedestrian Crossing Project

Regional Mobility Pricing Project*

I-205 Toll Project

Partner Project with ODOT Support

System Improvement Project

Amtrak Cascades - Expanded daily service between Portland and Seattle

* The exact locations where tolls will be applied on I-5 and I-205 as part of the Regional Mobility Pricing Project will be determined during the federal National Environmental Policy Act (NEPA) process.

I-205 Abernethy Bridge Project

Status:

- Construction began 2022; project on track for completion by 2025.
- DBE and Local Hiring Preference goals.
- Seismic upgrades, bridge widening, improving nearby on- and off-ramps, improving local bike and pedestrian routes.

Funding:

- Budget \$660 million (\$275m of HB 2017 and STIP).
- \$385 million from expected tolling revenues.



Before Construction



During Construction

OR 217 Auxiliary Lanes

Status:

- Construction began December 2021; on track for estimated completion in 2025.
- 80% of the groundwork for the new auxiliary lanes is completed.

Location and work:

- Improve safety and reduce bottlenecks on OR 217.
- Bicycle/Pedestrian network improvements.
- Partnership with City of Beaverton and Washington County.

Funding:

- Budget: \$158 million (\$97m from HB 2017).



I-5 Rose Quarter Improvement Project

Status:

- Revised Supplemental Environmental Assessment and FHWA environmental decision anticipated for early 2024.
- Finalizing design of the early work packages.
- Working towards 30% design of main construction package.
- Applied for \$850M of Neighborhood Access and Equity federal funds in September 2023.

Location and Work:

- 1.8 mile stretch of I-5 in the Rose Quarter area.
- Auxiliary lanes and full shoulders to I-5, redesigning overpasses, highway cover, reconnecting neighborhood streets, and enhancing public spaces.

Funding:

- Total cost estimate: \$1.5 - \$1.9 billion (\$158m from HB 2017 and State funds)



Oregon Toll Program

Background

- HB 2017 directed OTC to study value pricing on I-5 and I-205 and establish a traffic congestion relief program.
- OTC initiated the Value Pricing Feasibility Analysis (2017) and submitted two tolling projects to the FHWA (2018).

Projects

- Interstate Bridge Replacement Program (Interstate Bridge toll).
- I-205 Toll Project (Abernethy Bridge toll).
- Regional Mobility Pricing Project (congestion pricing I-5 and I-205).

Status

- Toll collection will begin in 2026.
- Toll projects are in the federal environmental review phase.

Funding

- Program budget: \$255 million (\$196 million from HB 2017, \$59 million from statewide and federal funds).
 - Does not include IBR toll budget and funding.

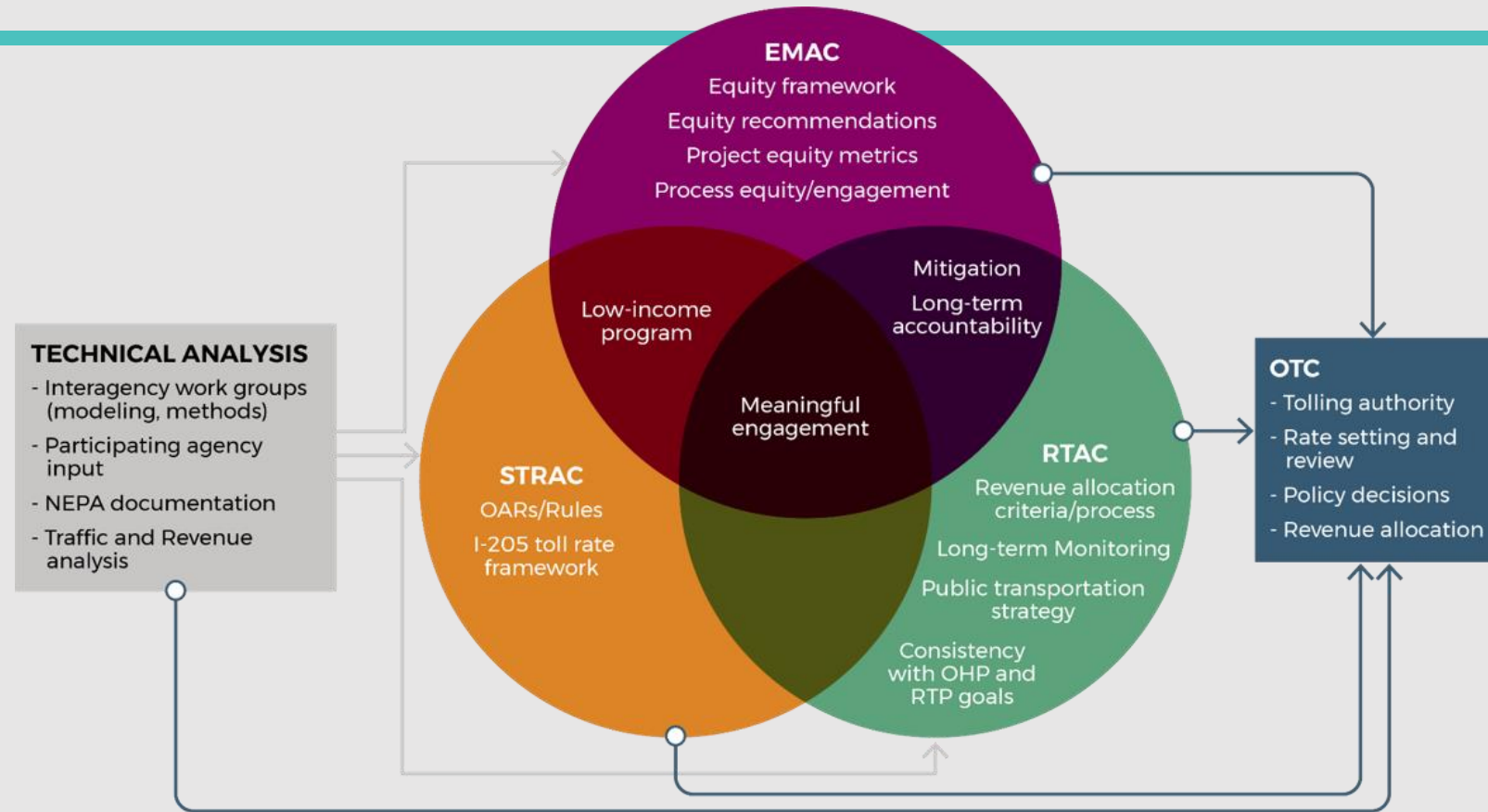


Oregon will be first in the nation to:

- Offer discount to low-income travelers the first day toll collection begins.
- Provide comprehensive exemptions to federally-recognized tribes with connection to land in Oregon.

Regional Engagement

- Equity and Mobility Advisory Committee (EMAC)
- Statewide Toll Rulemaking Advisory Committee (STRAC)
- Regional Toll Advisory Committee (RTAC)
- Oregon Transportation Commission (OTC)



The Legacy of HB 2017

- HB 2017 has strengthened, improved, and modernized Oregon's transportation system.
- HB 2017 started the trend and set the stage for future action.
- While most investments have been delivered, great need remains.
- HB 2017 increased State Highway Fund resources but won't keep pace with rising costs.
- With funding projected to flatten, structural challenges threaten immediate operations and Oregon's long-term future.



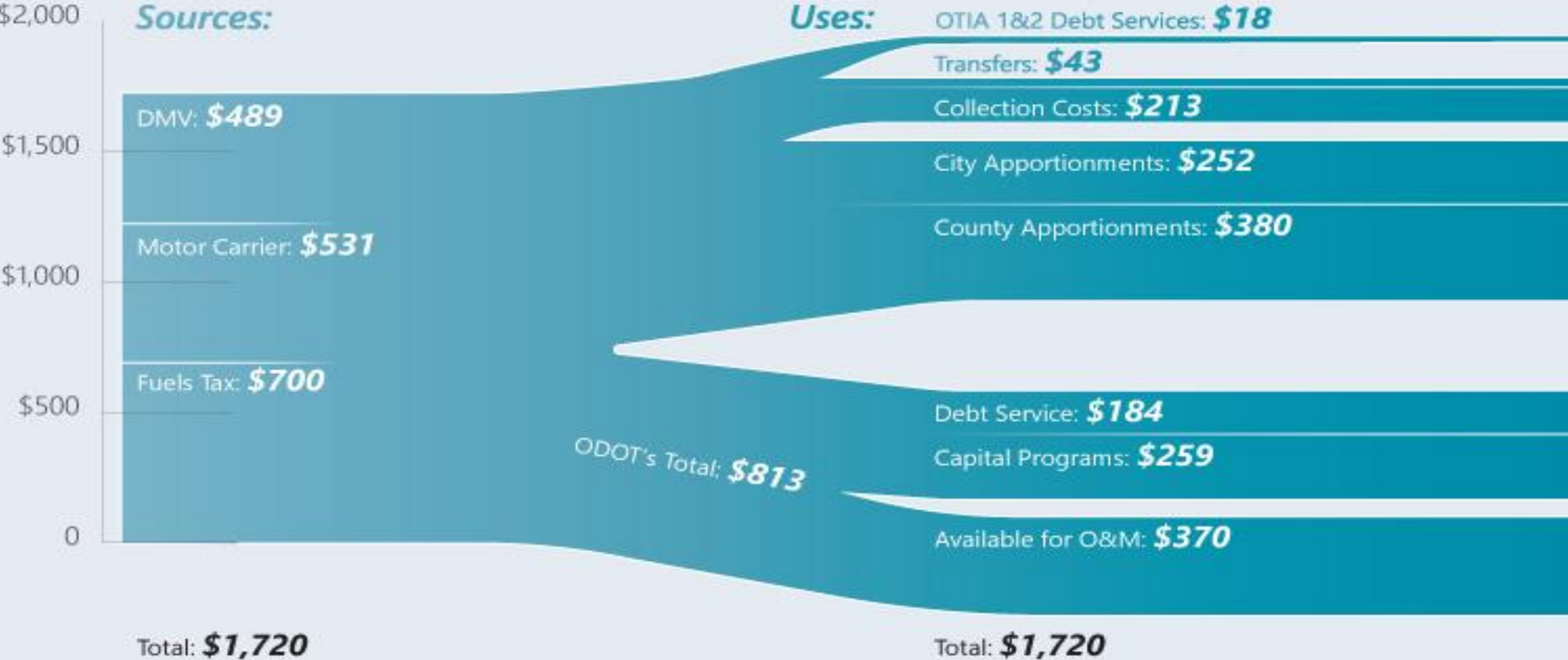
State Highway Fund Challenges

- Inflation erodes all State Highway Fund revenue streams.
- Growing fuel efficiency is making the fuels tax less reliable.
- State and federal law restrict how available funding can be spent.
- ODOT faces a significant structural shortfall for operations and maintenance now and into the future.



State Highway Fund Sources and Uses

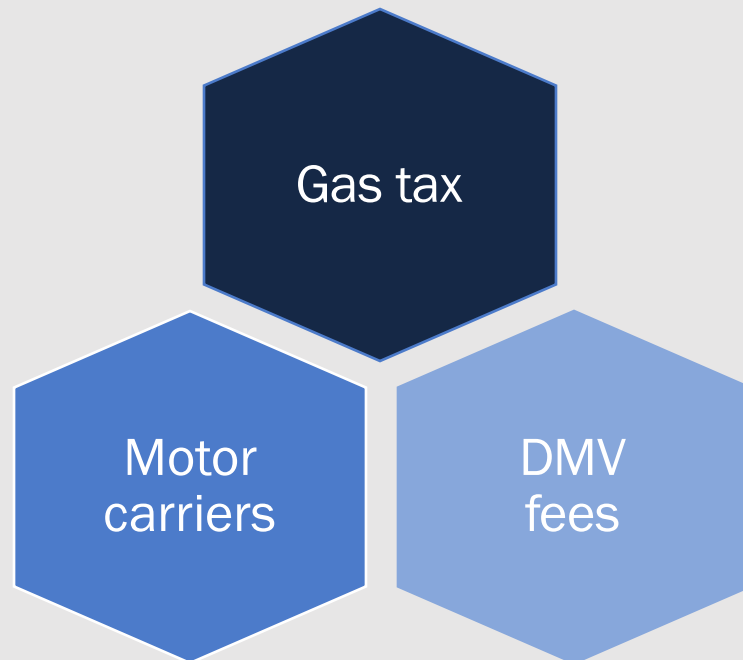
2023-2025 Annual Average in Millions



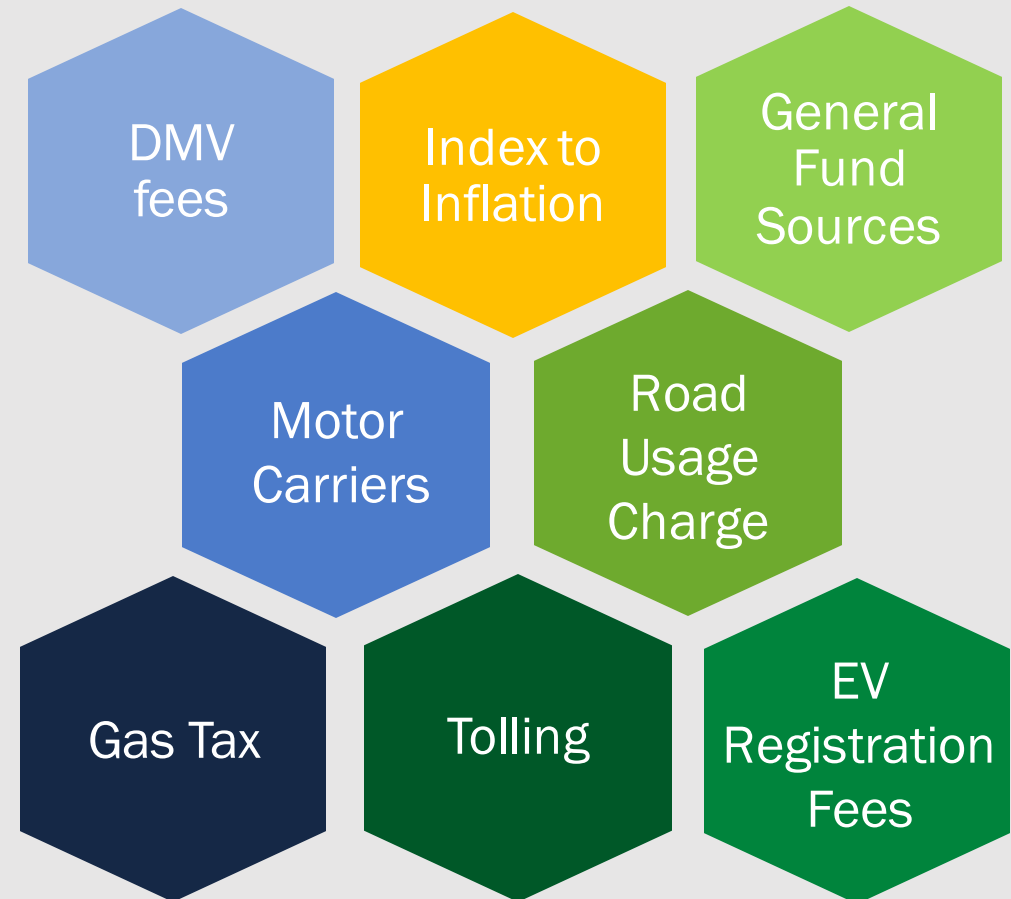
A More Diversified Revenue Portfolio

Sufficient and sustainable funding is key to maintaining and modernizing our transportation system

State Highway Fund Revenue Today



Some Options for the Future



Thank you
