



Oregon

Theodore R. Kulongoski, Governor

Oregon Department of Transportation

Office of the Director

355 Capitol St NE

Room 135

Salem OR 97301

Telephone (503) 986-3289

FAX (503) 986-3432

DATE: February 26, 2004

TO: Local Officials Advisory Committee

File Code:

FROM: Bruce A. Warner
Director

SUBJECT: 2003 Oregon Transportation Investment Act (HB 2041)
Modernization Project Selection

I indicated last August that the modernization program would come later as part of the development of the 2006-2009 STIP. In the short term, our focus would be on implementation of the OTIA III bridge program.

It is time to turn our attention to the modernization program now that ODOT has entered into negotiations with a program management firm and the OTC will gavel down on selection of local bridges.

2006-2009 Modernization Program Elements

We need to clarify the segments of the OTIA III modernization program. The OTIA III modernization program for 2006-2009 has three parts:

- \$100 million – Modernization bond proceeds for freight mobility, industrial access and job creation.
- \$200 million – Modernization bond proceeds for projects. For purposes of building the draft STIP, this portion of the bond proceeds are further allocated based on direction from the OTC:
 - \$100 million will go to projects based on the regional equity split.
 - \$100 million will be devoted to projects of statewide significance.
- \$200 million – Federal advanced construction reserved for OTC-requested federal earmarks.

The traditional state modernization program will continue as well, albeit at a lower level after bonds are issued. For 2006-2009, it amounts to \$134.9 million (\$46 million – 2006; \$54.3 million – 2007; and, \$17.3 million each for 2008 and 2009). Recall that about half of the state modernization funds (\$25 million per year) will be used in 2008 and thereafter to meet the debt service requirements for the OTIA III modernization bonds.

2006-2009 Development Responsibilities

Equitable Distribution

The portion of the modernization program that is subject to regional equity will be developed following the STIP stakeholder guidelines that were adopted by the OTC. The regional targets for the modernization program will be updated to reflect the \$100 million of modernization bond proceeds available for 2008 and 2009. The table below focuses on 2008 and 2009; more detailed information is in the first attachment.

	2008 & 2009 Combined		
	Current*	OTIA III**	Total
Region 1	\$13.25	\$38.30	\$51.55
Region 2	\$10.09	\$29.16	\$39.25
Region 3	\$5.15	\$14.87	\$20.02
Region 4	\$3.48	\$10.07	\$13.55
Region 5	\$2.63	\$7.60	\$10.23
Total	\$34.60	\$100.00	\$134.60

* Project selection subject to STIP Stakeholder criteria

** Project selection subject to STIP Stakeholder criteria plus “Ready for Construction” and OTC’s criteria for match and leverage

The regional targets for the developmental STIP and accelerated project readiness are not changed.

ODOT regions and Area Commissions on Transportation will develop project recommendations by May 2004 as shown in the 2006-2009 STIP Development Timeline.

Freight Mobility, Industrial Access, and Job Creation

There are three different sources of project recommendations for the \$100 million set aside for these purposes in HB 2041:

- The Freight Advisory Committee will present its project recommendations to the OTC in April 2004. Area Commissions on Transportation will provide their comments on the committee's recommendations by March 1.
- The Governors Economic Revitalization Team (GERT) is prioritizing industrial sites that can be made "shovel ready" for development. The GERT and ODOT staff will identify the transportation improvements needed to support these sites. The GERT's will have the needed transportation investments identified by March 15, 2004
- The Oregon Community and Economic Development Department is prioritizing job creation opportunities. ODOT staff will work with OCEDD to identify the transportation improvements needed to support these sites by April 15, 2004.

Projects of Statewide Significance

The OTC adopted a list of projects of statewide significance in May 2002. These projects are listed below:

- I-5 Columbia River Crossing (Portland / Vancouver)
- Sunrise Corridor (I-205 to U.S. 26)
- I-5 to Highway 99W (Tualatin – Sherwood Bypass)
- I-205 (Columbia River to I-5)
- I-405 Loop
- Newberg-Dundee Transportation Improvement Project
- Highway 20 (Pioneer Mtn. to Eddyville)
- Highway 62 units 2 & 3 (Medford)

ODOT staff has been working to advance these projects to construction.

Federal Advanced Construction

The OTC approved a list of federal earmark requests. These projects (see below) will have first call on the A/C money. However, A/C money may also be used to move projects of statewide significance along.

- Highway 217 (Tualatin Valley Highway to U.S. 26)
- I-5: Fern Valley Interchange

- U.S. 97 (Modoc Point to Algoma)
- U.S. 97 Redmond Bypass
- I-5 (Delta Park to Lombard)
- I-5 Beltline Interchange
- I-5 Winchester Interchange/Bridge
- US 20 (Pioneer Mtn. to Eddyville)
- Emergency Bridge Repair / Replacement

ODOT staff has also been working to advance these projects to construction.

2006-2009 Modernization Program Recommendation

Each of these processes (equitable distribution, freight mobility, etc.) will result in a priority list of projects by May 2004. ODOT will meld these lists into a staff recommendation to the OTC during June 2004. The staff recommendation will be a step in preparing the Draft 2006–2009 STIP for public review and comment.

Please note the requirements that are unique to OTIA III. These include:

- Local match and leverage
- Ready for construction (Advanced Construction and modernization bond proceeds except for freight mobility, industrial access and job creation opportunities)

The steps that I have outlined above require a few adjustments to the 2006-2009 STIP Development Outline (see attached timeline).

**Statewide Transportation Improvement Program
State Modernization Program Target Levels**

	Adopted program target levels				OTIA III Bond Proceeds	Combined
	2006*	2007*	2008	2009	2008-2009 OTIA III	2006-2009
Modernization	\$46.0	\$54.3	\$17.3	\$17.3	\$100.0	\$234.9
IOF	\$3.5	\$3.5	\$3.5	\$3.5	-	\$14.0
Modernization Debt Service (LSN)	\$3.2	\$3.2	\$3.2	\$3.2	-	\$12.8
Development STIP/Accl Proj Read	\$0.0	\$0.0	\$1.3	\$1.3	-	\$2.5
Statewide Significant/Protective ROW	\$0.0	\$0.0	\$1.3	\$1.3	-	\$2.5
Modernization Total	\$52.7	\$61.0	\$26.5	\$26.5	\$100.0	\$266.7

MODERNIZATION

Region	2006 Actuals	2007 Actuals	Equity Split for 2008 -2009	2008 Targets	2009 Targets	OTIA III Targets
1	\$18,560	\$18,560	38.30%	\$6,626	\$6,626	\$38,300
2	\$16,310	\$18,410	29.16%	\$5,045	\$5,045	\$29,160
3	\$3,240	\$7,262	14.87%	\$2,572	\$2,572	\$14,870
4	\$3,971	\$6,429	10.07%	\$1,742	\$1,742	\$10,070
5	\$3,925	\$3,595	7.60%	\$1,315	\$1,315	\$7,600
Total	\$46,006	\$54,256	100%	\$17,300	\$17,300	\$100,000

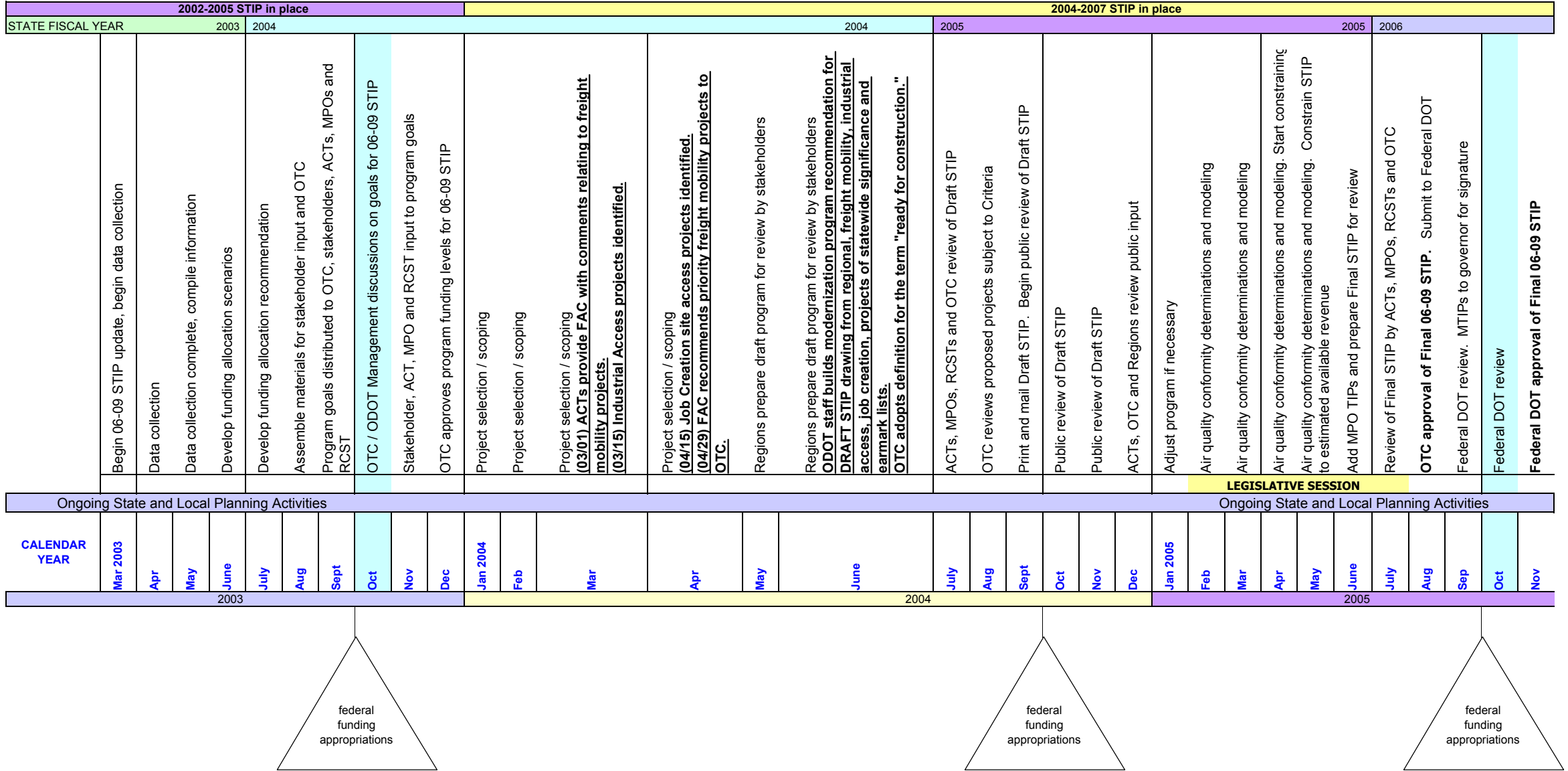
DEVELOPMENT STIP/ACCELERATED PROJECT READINESS

Region	Equity Split for 2008 -2009	2008 Targets	2009 Targets
1	38.30%	\$478	\$478
2	29.16%	\$365	\$365
3	14.87%	\$186	\$186
4	10.07%	\$126	\$126
5	7.60%	\$95	\$95
Total	100%	\$1,250	\$1,250

OTIA III
PROGRAMS, CRITERIA, RESPONSIBILITY

PART	AMOUNT	CRITERIA	PRIMARY RESPONSIBILITY
State Bridge	\$1.3 Billion	<ul style="list-style-type: none"> • Bridge Strategy • 2006-2009 STIP Criteria 	<ul style="list-style-type: none"> • OTC w/ consultation from Bridge Oversight Committee and ACTs
Local Bridge	\$300 Million	<ul style="list-style-type: none"> • HBRR Criteria—OTC approved • Timeline and standards 	<ul style="list-style-type: none"> • HBRR Committee • Doug Tindall (Interim Lead)
Local Operations and Maintenance	\$371 Million	<ul style="list-style-type: none"> • Locally determined for local operations 	<ul style="list-style-type: none"> • Local Responsibility
Modernization: 1. Advance Construction	\$200 Million	<ul style="list-style-type: none"> • Federal Earmarks • Ready for Construction 	<ul style="list-style-type: none"> • OTC w/consultation from ACTs & MPOs
2. Other Modernization	\$200 Million Split between statewide and regional projects is only a starting point.	<ul style="list-style-type: none"> • 2006-2009 STIP Criteria • Ready for Construction • Local match criteria • \$100M - regional projects • \$100M - large statewide projects 	<ul style="list-style-type: none"> • OTC w/consultation from ACTs & MPOs
3. a. Freight b. Industrial Lands c. Job Creation	\$100 Million No target to subdivide	<ul style="list-style-type: none"> • Criteria differs a. Freight Advisory Committee b. GERT/OECDD and Governor c. Governor 	<ul style="list-style-type: none"> • OTC w/consultation from FAC, GERT, OECDD and Governor
4. State Modernization Program (STIP)	\$50 +/- million before 2008. \$25 +/- million 2008 and after (amount depends on debt service requirements)	<ul style="list-style-type: none"> • 2006-2009 STIP Criteria 	<ul style="list-style-type: none"> • OTC w/consultation from ACTs & MPOs

2006-2009 STIP DEVELOPMENT TIMELINE



STIP = Statewide Transportation Improvement Program ACT = Area Commission on Transportation FAC = Freight Advisory Committee RCST = Regional Community Solutions Team MPO = Metropolitan Planning Organization
 OTC = Oregon Transportation Commission ODOT = Oregon Department of Transportation DOT = Department of Transportation