



# FACT SHEET

---

## **ConnectOregon – 11/18/05 Update**

### ***General Information***

#### **What is ConnectOregon?**

ConnectOregon is a lottery bond-based, \$100 million legislative initiative to invest in air, rail, marine, and transit infrastructure to ensure Oregon's transportation system is strong, diverse, and efficient.

#### **Who ultimately benefits from ConnectOregon projects?**

All Oregonians will reap the benefits from enhancing Oregon's transportation infrastructure. Residents and businesses, as well as the environment, will benefit by having a more efficient, productive transportation system that improves Oregon's business environment, ultimately leading to more jobs and a more sound economy.

#### **Will ConnectOregon benefit only urban areas?**

No. Projects in all parts of the state will be considered for funding. Senate Bill 71 (SB71) requires that at least 15 percent of the funds be allocated in each of the five regions (regions are geographic groupings of counties; see [web site for map](#) ([www.oregon.gov/COMM/CO/index.shtml](http://www.oregon.gov/COMM/CO/index.shtml))). This means that 75 percent of funds will be distributed regionally.

#### **What is an "emergency rule?"**

An emergency rule is temporary, meaning it has an expiration date. It is usually replaced by a permanent rule.

#### **Why is there a sunset date of 2012?**

The sunset date of January 1, 2012 only applies to Section 7, regarding transportation projects built on Port of Portland property in Troutdale and not other sections.

### ***Communications and Outreach***

#### **What will ODOT's communication & outreach efforts accomplish?**

ODOT intends to keep interested parties informed of opportunities provided by the legislation for participation as well as involvement in the decision-making process.

## **Who are some of the key stakeholders in *ConnectOregon*?**

Key stakeholders include representatives and advisory groups from the eligible transportation modes, freight shippers and carriers, business organizations, municipalities, and the environmental community.

## **What communication channels will be used?**

Informational meetings with interested parties are being held throughout the state. A *ConnectOregon* web site ([www.oregon.gov/COMM/CO/index.shtml](http://www.oregon.gov/COMM/CO/index.shtml)) that contains background and current information is available through the ODOT web site. ODOT is also maintaining a list of individuals and groups who want to receive regular e-mail updates; information about how to get on the mailing list is on the *ConnectOregon* website.

## **How can I keep current on progress or changes in this program?**

The *ConnectOregon* web site will contain updates as well as other important information. Once the application period opens (targeted for mid-November) FAQs will not be revised again, although additional questions may be added to the website if necessary. You may also contact ODOT by email at [connectoregon@odot.state.or.us](mailto:connectoregon@odot.state.or.us) and ask to be added to the electronic mailing list for *ConnectOregon*. All on the e-list will receive notification if new FAQs are added after the opening of the application period.

## ***Project Eligibility***

### **What considerations will be used to evaluate projects for *ConnectOregon* funds?**

SB71 provides considerations that the Oregon Transportation Commission (OTC) shall consider in evaluating project applications:

- Whether the project reduces transportation costs for Oregon businesses;
- Whether it benefits or connects two or more modes;
- Whether it is a critical link in a statewide or regional transportation system;
- How much of the cost can be borne by applicants;
- Whether the project creates construction and permanent jobs in the state; and
- Whether the project is ready for construction.

### **Are projects that can be funded by fuel and motor vehicle tax revenues eligible for *ConnectOregon* funding?**

No. Projects eligible for funding from the Oregon State Highway Fund, e.g. fuel taxes and motor vehicle taxes, are not eligible for *ConnectOregon* funding. However, funds from other state sources may be utilized. If a highway or public road element is essential to the complete functioning of the proposed project, applicants are encouraged to work with their ODOT Region, city or county to identify the necessary funding sources.

**Can a publicly owned road be part of a *ConnectOregon* project?**

Yes, but no Connect Oregon funds can be used for improvements that are otherwise eligible to be funded by fuel and motor vehicle tax revenues.

**Is a project eligible if it contains an element eligible for state highway funds?**

Only project elements not eligible for state highway funds are eligible for *ConnectOregon* funding: therefore, the application should be for the other project elements. However, SB71 encourages submission of projects that include a component connecting one mode to another.

**Can *ConnectOregon* funds replace existing and/or previously identified project funds?**

No.  
The bill says "Transportation Projects" are eligible for funding.

**Does that include all the modes and types of projects and facilities defined in the ORS?**

No. Only rail, marine, aviation, and transit projects are eligible. Bicycle and pedestrian projects, for example, are excluded. Note that the bill refers to "transportation projects." Operating costs are not eligible.

**The bill says "Transportation Projects" are eligible for funding. Does that include all the modes and types of projects and facilities defined in the ORS?**

No. Only rail, marine, aviation, and transit projects are eligible. Bicycle and pedestrian projects, for example, are excluded. Note that the bill refers to "transportation projects." Operating costs are not eligible.

**Is dredging an eligible activity, if needed to deepen an existing port to serve larger ships?**

Most dredging is considered a maintenance activity. To qualify, the applicant would have to be clear that the dredging was to achieve a new depth as opposed to restoring previously reached depths.

**Does a *ConnectOregon* project have to be in an approved Comprehensive Plan or Transportation System Plan (TSP), Regional Transportation Plan (RTP) or in a metropolitan area Transportation Improvement Program (TIP)**

### **or the Statewide Transportation Improvement Program (STIP) for it to be considered eligible?**

No. There are several parts to this answer:

- 1) ODOT's STIP addresses only highway, transit and some rail projects. Since ConnectOregon is about transit, rail, marine and aviation projects, most of them will not be in an approved ODOT plan or improvement program. A local TSP may identify needs in rail and transit but rarely aviation and marine.
- 2) All applications, other things being equal, regardless of their standing in Comprehensive Plans, TSPs, etc., will be eligible for ConnectOregon funding consideration.
- 3) A Comprehensive Plan Amendment, zoning change, Air Quality Conformity Determination or other local approval step may be needed, particularly since *ConnectOregon* is likely to be funding some projects that are privately sponsored/are on private property. If this is likely to be so, a consultation with appropriate local, state and/or federal agencies must take place after project selection. After project selection and during contract negotiations (that is, before charges can be made for the project), individual agreements must be crafted to ensure that such local approval steps are carried out in a timely manner and the proposed project made ready for construction.

### **Are capital equipment purchases eligible projects?**

Yes.

### **Will applications be considered for a combined government and private project?**

Yes. For private entities, a lien will be granted and a deed of trust (for real property) or a security agreement (for personal property) will be executed to effect such a lien.

### **Will my project's chances be increased if I break it into smaller projects?**

If a project can be phased or broken into smaller pieces that still function effectively and provide a benefit to the transportation system, then yes—smaller, less expensive projects *may* be more competitive than larger, more expensive. If a project can be “phased” and turned into several different applications, each application should clearly state how it is related to the other applications so that Oregon Transportation Commission (OTC) can understand the relationship when it selects the projects.

### **May I submit multiple project applications?**

Yes.

### **How will I fare if my project is not yet fully funded?**

Documentation of how the entire project will be funded must be submitted with the application.

## ***Application Process***

### **What process will be used to submit a project for *ConnectOregon* funding?**

All project applications, including those for aviation projects, will be submitted to ODOT. Senate Bill 71 directs ODOT to adopt rules specifying the process to apply for loans and grants for projects. It is expected that applications will open in late November and close in mid-January. Interested parties should watch the ODOT web site and add their names to the ODOT e-mail list of updates and notification: <http://www.oregon.gov/ODOT/COMM/CO/index.shtml>. Tell us at [connectoregon@odot.state.or.us](mailto:connectoregon@odot.state.or.us) that you would like to be on our e-list.

### **Will ODOT and/or the Aviation Board perform an initial assessment on project applications?**

Yes. ODOT will initially screen all projects for completeness, reasonableness, and financial viability.

### **Will ODOT assist applicants in the project submission process?**

ODOT will not provide assistance to applicants since ODOT is administering the project selection process. Projects not satisfying these considerations will be set aside in this round of funding.

### **Should I obtain letters of support for my project?**

Yes. Letters of support from community and business supporters as well as affected local governments or Area Commissions on Transportation ([http://www.oregon.gov/ODOT/COMM/otc\\_main.shtml](http://www.oregon.gov/ODOT/COMM/otc_main.shtml)) will be helpful to the OTC as they make their decisions.

### **Are design costs eligible for project funding?**

Yes. All costs directly related to completing a project are eligible, if the project meets the selection criteria.

### **How can I follow up on a project's application status after it has been submitted?**

Basic information on all projects under consideration will be posted on the *ConnectOregon* website.

## **Project Selection**

### **What process will be used to select a project for ConnectOregon funding?**

The Oregon Transportation Commission (OTC) will solicit project recommendations from the Oregon Aviation Board, Oregon Freight Advisory Committee, and public transit and rail advisory committees. A public hearing is planned for May 2006 where any member of the public or interested party may provide comment on ConnectOregon projects to the OTC before the commission makes its project selection decisions.

### **Who are the members of these designated advisory groups?**

The members of the Aviation Board are: Stephen Beckham, Liberty Mutual/Liberty Northwest; Michael Burrill (Sr), Burrill Resources, Inc.; Jack Loacker, retired attorney; Carrie Novick, Roberts Field-Redmond Airport; Amy Lynn Prutzman, Aerie Innovations; and Steve Schreiber, Port of Portland.

The OFAC is conducting a member application/appointment process to be concluded by year-end; it is currently chaired by Tom Zelenka of Schnitzer Steel Industries and Susie Lahsene of the Port of Portland is vice chair. Lahsene chairs the Policy Subcommittee; Martin Callery of the Port of Coos Bay chairs the Project Subcommittee; and Bob Russell, Oregon Trucking Association, chairs the Membership and Recruitment Subcommittee. There are regular members from organizations representing freight carriers, shippers and associations; and associate members representing state and local agencies and governments.

The Public Transit Advisory Committee consists of Luis Caraballo, Oregon Department of Human Services (DHS); Dennis Dick, Valley Retriever Buslines; Jeff Hamm, Salem Mass Transit District; Peter Jacobsen, Rogue Valley Transportation District; Sally Lawson, Mid-Willamette Valley Senior Services; Bob Lowry, Oregon Passenger Rail Advisory Council; Jay Lynch, Oregon Transit Association; Raye Miles, Broadway Cab; Ernest Palmer, Basin Transit Service; Terry Parker, Lane Transit District; Claire Potter, Tri-Met; Dolores Raymond, Governor's Commission on Senior Services; Frank Synoground, Oregon State Independent Living Council; Terry Thompson, Lincoln County Board of Commissioners; John Wenholz, Morrow County; Debbie Wert, DHS; and OTC Commissioner Janice Wilson.

The Rail Advisory Committee is in the process of being finalized.

### **Must projects be initiated by the designated advisory groups?**

No, submission of eligible projects is open to any entity whose project fits program considerations.

### **When will projects be selected?**

ODOT anticipates that the OTC will approve a list of projects for funding in June 2006.

### **How will the 15 percent regional allocations be met if there are multiple project application periods?**

There will be one project selection period during which all \$100 million will be awarded, including the 15 percent regional allocation requirement. Should there be delays affecting one or more regions, this will not hold up making the 15 percent allocation to other regions which are ready.

### **What if \$15 million worth of projects are not submitted for every region?**

Given the need for transportation system improvements throughout the state, ODOT anticipates that each region will submit at least \$15 million in project requests.

### **How much time will the advisory boards and committees have to evaluate applications?**

ODOT expects to post information on all project applications that are found to be complete and eligible on the *ConnectOregon* web site by early February 2006. The advisory organizations named in Senate Bill 71 will have approximately eight weeks to make project recommendations.

### **How will projects from different modes be fairly compared and evaluated?**

The Oregon Transportation Commission will consider the projects that are in the best interest of the state's transportation system.

### **How will marine projects be selected?**

Marine projects will be given the same consideration and go through the same process as other projects; all applications will be received by ODOT. There is no specific marine advisory committee listed in the bill, however, there are many groups and stakeholders (e.g., Area Commissions on Transportation) not named in Senate Bill 71, and ODOT encourages these various groups to discuss and consider potential projects. Since information on all applications will be publicly available on ODOT's web site, any stakeholder or group will have the same basic information as the four advisory groups named in Senate Bill 71. The Oregon Transportation Commission will select all projects.

### **How will Area Commissions on Transportation be involved in project review?**

Senate Bill 71 did not define a role for Area Commissions. However, it would be ideal for Area Commissions and the Metropolitan Planning Organizations to work with potential applicants to identify projects that will be good candidates for *ConnectOregon* funding. The Area Commissions can play an important role in working with project applicants and interested parties in their regions to help shape regional priorities.

## **Project Funding Administration**

### **Who will administer ConnectOregon funds?**

The Oregon Department of Aviation will oversee and administer funding for all aviation projects. ODOT will be responsible for administering all other projects and funds.

### **Will the entire \$100 million in project funding be available to applicants at once?**

No, funding will be provided to project applicants on a reimbursement progress payment basis. Exact terms will be negotiated with each project applicant.

### **Who will determine if a project will be funded by a grant or loan?**

Applicants should state their preference, but the Oregon Transportation Commission will ultimately decide.

### **Will project applications be accepted for a grant and loan combination?**

Yes.

### **What if a project provides benefits to multiple regions?**

Depending on the circumstances, the Oregon Transportation Commission may “credit” a project to multiple regions if appropriate for purposes of meeting the requirement that each region receives the minimum of 15 percent of funding. The project location will normally be attributed to the region where the physical improvements are located.

### **What is the matching funds requirement?**

ConnectOregon legislation directs the OTC to consider how much of the project cost can be borne by the applicant. Grant recipients must provide at least 20 percent of project cost in matching funds.

### **Can federal funds be utilized as matching funds?**

Yes.

### **Please clarify the rules and requirements for the 20 percent match required for grant applications.**

1) An applicant does not have to demonstrate that they have 20 percent of the project costs in cash up front or in a bank account.

- 2) An applicant must pay for 20 percent of the project costs, which include elements necessary for implementation, e.g. land, excavation, permits, engineering, payroll, special equipment purchase or rental.
- 3) Project costs that were paid for by the applicant prior to the agreement effective date can be used as part of the match, but are not eligible for reimbursement.
- 3) "Value" of an item, e.g. land or special equipment, isn't part of the match. The applicant's out-of-pocket payment to purchase the land or buy/rent the special equipment is part of the match.
- 4) If an applicant previously purchased a parcel of land, it is his/her payment when the land was purchased that is part of the match, not how much it would cost today to purchase the land.
- 5) Project elements that are donated to the applicant, e.g. ROW, land, equipment (even if the donation was done to benefit the project) are not part of the match. Donations are considered an in-kind contribution, not "moneys."
- 6) If an applicant has a monetary outlay for something that is required for the transportation project, then that payment can count towards the 20 percent match.

### **Can estimated operational revenues for the built project be used as matching funds?**

No, and the applicant will need to demonstrate that funds to operate the project or facility are available.

### **Will Federal NEPA requirements apply?**

National Environmental Policy Act requirements will apply if it is required by the federal agency involved in the project.

### **Can ConnectOregon funds be used in combination with a variety of other funding sources to complete a project?**

Yes. The funds can be used in combination with federal, state, local, and private sources to finance the project.

### **Will ODOT or ODA require a lien or other assurance of applicant/project viability?**

A recorded lien will be required to protect the state's interest if a private firm or local government goes broke or is bought out. This will be a component of the agreement executed between ODOT or ODA and the successful project applicant.

### **Is there a timeline in Senate Bill 71 that says when funds must be spent on awarded projects?**

No. However, how soon a project can be constructed is one of the criteria that the Oregon Transportation Commission will use to evaluate projects for funding.

## ***Loans***

### **What are the loan term, interest rate, and payback schedule on project loans?**

Loan terms and conditions will be negotiated as part of the underwriting process.

### **Are loan project applications required to include matching funds?**

No.

### **Are there other unique requirements for loan applications?**

Yes. Loan applications must meet reasonable credit underwriting standards, including evaluation of project feasibility and risk, repayment capacity, collateral, and the applicant's fiscal performance and operational capacity to manage the project.

### **Will loans be reimbursed on the same basis as grants?**

Loan agreements, including repayment schedules, will be treated on a case-by-case basis regarding disbursement and reimbursement of funds. This will be addressed in individual project contracts.

## ***Project Management***

### **Who will manage the physical construction of the selected projects?**

The applicant is responsible for constructing its project, including obtaining all required permits and approvals.

### **How are unavoidable cost overruns to be handled?**

Once a project has been selected, the applicant is responsible for completing the project as proposed for the funding provided. There is no provision for the applicant to receive additional funds if project costs are higher than estimated. The applicant will be responsible for making up any funding deficiency. If the project cannot be completed with the funds allotted, the OTC may cancel the project and award the funds to another project.