

Memorandum Date: March 29, 2010
Order Date: April 13, 2010

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Celia Barry, Transportation Planning Division

AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING AN OREGON DEPARTMENT OF TRANSPORTATION (ODOT) MATRIX REVIEW SHEET AND PRIORITY LIST FOR CONNECTOREGON III PROJECTS IN LANE COUNTY

I. **MOTION**

Staff requests a Motion to approve the Order and Exhibit A (Attachment 1).

II. **AGENDA ITEM SUMMARY**

Recommendations from the Board on funding priorities for the third year of ODOT ConnectOregon funding (CO III) are due to ODOT by April 24, 2010. A Commissioner is asked to attend an All Area Region 2 meeting on April 29 to represent your action. This All Area meeting will function as a Regional reviewing Committee for CO III proposals. Committee members will be asked to prioritize Region 2 projects into a single list.

Your individual packets contain adequate information to gain an understanding of the issues. There is also a full copy of all CO III application and background materials in the Board Office in the bookshelf near the reception area for your common use. It is recommended that Commissioner Handy or others attending the All Area meeting have this binder in hand.

ConnectOregon III web site: <http://www.oregon.gov/ODOT/COMM/CO/COIII.shtml>

Review instructions and applications are summarized in the Analysis section and are located at this ODOT site:

ftp://ftp.odot.state.or.us/outgoing/COIII_Area5/

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

The following information is from Lane County Board action documents and ODOT.

In 2005, the Oregon Legislature authorized \$100 million from lottery-backed bonds, for Oregon's Multimodal Transportation Fund to invest in air, rail, marine and transit infrastructure. It funded 38 projects. Twenty-six are now complete and 12 are in the design or construction phase.

In 2006 Lane County submitted the following Region 2 Area 5 priorities (Board Order 06-5-3-9):

Applicant/Proposal	CO II request	Board Priority
Eugene Air Cargo Facility Improvements	\$4,103,461	1
Port of Siuslaw Dock Improvements	344,000	2
LTD Bus Rapid Transit	5,400,000	3
Creswell Airport Fire Suppression System	612,800	4
CORP Mainline	\$1,477,492	5
Union Pacific Eugene Switching track	\$5,664,000	6
Eugene Depot	\$400,000	7

The process during the first year was different and a separate, statewide priority list was adopted under the same Board Order and submitted to ODOT:

Applicant/Proposal	CO II request	Board Priority
CORP Mainline	\$1,477,492	1
Union Pacific Eugene Switching track	\$5,664,000	2
Eugene Air Cargo Facility Improvements	\$4,103,461	3

In 2006 The City of Eugene Airport and LTD projects were both funded.

The 2007 Legislature authorized another \$100 million in funding. Thirty projects were funded, 27 projects are active, two are complete, and one has not yet started.

On October 31, 2007, the Board adopted Order 07-10-31-9 endorsing all Lane County ConnectOregon funding proposals with letters of support.

On April 9, 2008 the Board adopted Board Order 08-4-9-11 commenting on CO II projects in Lane County. The Board voted to prioritize the 2008 application proposals as follows:

Applicant/Proposal	CO II request	Board Priority
Creswell Hobby Field Fire Suppression System	\$743,440	1
Veneta/Lane Transit District (LTD) Transit Center	\$656,000	2
Eugene Train Depot Phase 2 - Platform and Vehicle Improvements	\$408,000	3
Port of Siuslaw Maple Street Landing and Dock	\$378,000	4
Union Pacific Railroad Eugene Yard Crossover Track	\$384,477	5

In 2008 Region 2 received \$22,617,000 in ConnectOregon funds. Lane Transit District received \$656,000 for the Veneta Transit Station.

This year, the Roads Advisory Committee (RAC) did not meet in March so there is no RAC recommendation this year.

Below is a summary of CO III applications submitted statewide. Attachment 4 contains statewide project descriptions.

ConnectOregon III Applications by Region and Mode			
	Number of Applications	Total CO Funds Requested	Match Amount (20% of Grant)
TOTALS	97	\$251,028,733.38	\$61,617,953.56
REGION TOTALS			
Region 1	25	\$66,452,020.27	\$15,473,775.28
Region 2	38	\$88,726,208.13	\$22,181,552.03
Region 3	11	\$40,760,401.60	\$10,190,100.40
Region 4	10	\$26,861,362.90	\$6,715,340.72
Region 5	13	\$28,228,740.48	\$7,057,185.13
MODE TOTALS			
Aviation	26	\$67,586,044.65	\$16,896,511.16
Marine	14	\$27,929,583.20	\$6,982,395.80
Rail	38	\$114,240,492.17	\$28,560,123.06
Transit	17	\$38,032,022.16	\$8,368,775.74
Multiple Modes	2	\$3,240,591.20	\$810,147.80

B. Policy Issues

Approval of the motion is consistent with the county adopted Transportation System Plan, which provides supportive policy statements for air, rail, marine, and transit facilities and services.

C. Board Goals

While rating and promoting projects proposed in Lane County for CO III funding does not directly generate revenue for Lane County government, CO III projects have potential for contributing to the county’s economic development, so there is compatibility with the fourth highest Strategic Plan objective of Revenue Generation, in particular, “pursuing entrepreneurial opportunities” (page iii).

While no funds are allocated to the ConnectOregon program from the County, staff time in processing this item and future items is an allocation of resources. Staff sees this as consistent with Strategic Plan priority B.3., “Allocate Funds Strategically”, Item a.4:

4. The County will also fund services where there are sound fiscal reasons to do so, and where the service contributes to the attainment of the County’s broad goals. The following factors will be considered:

- Funding the service has no indirect negative impact on the General Fund.

- The service generates revenue for Lane County citizens.

(No revenue is generated from this Board item per se, but there is potential that revenue, and jobs, will be generated from one or more of the Lane County projects, if funded by CO III).

D. Financial and/or Resource Considerations

There are no direct financial impacts on Lane County. There is an allocation of staff resources.

E. Analysis

The ConnectOregon program emphasizes economic development. The program prioritizes projects that reduce transportation costs, improve access to jobs and labor sources, link transportation modes and bring economic benefit to the state. Projects that do not clearly show statewide or regional economic benefits may not rank highly in regional and statewide review committee work. The program does not fund surface transportation (road improvements).

In its third year, the ConnectOregon program is seen as highly successful and the review process continues to be refined. Each biennium it has funded \$100 million in projects. To date Lane County projects have received more than \$10 million in ConnectOregon funding.

There is a minimum required 20% cash match for grant requests. Loans do not require a match. Each ODOT Region is guaranteed \$10 million. Either public or private entities may apply.

A minimum of \$10 million must be allocated to Region 2. This year, the five project proposals located in Lane County total nearly \$12 million. The 38 project proposals located within Region 2 total nearly \$89 million, plus \$22 million in matching funds. Project descriptions by mode and region are in Attachment 4. The five Lane County projects are highlighted, on pages 1 of 14, and pages 5, 9, 10 and 13.

Three public and two private entities in Lane County applied for CO III funding: City of Eugene Airport, Lane Transit District, Port of Siuslaw, Fuel Logistics, and Pacific Recycling Inc.

In addition, the Port of Coos Bay in Region 3 applied for \$7.8 million to continue rehabilitation of the Coos Bay rail line to restore freight rail service to businesses in Coos, Douglas, and Lane County. That project would include repair of five tunnels; repair/replacement of ballast, ties and rail; repair of three swing span bridges; repair/replacement of grade crossing surfaces and signals; culvert rehabilitation; and fixed bridge/trestle repairs.

Brief project proposal abstracts follow in an alphabetical listing. Attachment 3 contains a more detailed description of each Lane County project, and full application materials are in a binder in the Board Office reception area bookcase.

City of Eugene Airport - Consolidated Rental Car Wash Facility - \$3,200,000

The New Consolidated Rental Car Wash Facility (CONRAC) will replace the existing rental car facility at the Airport and expand the footprint of the rental car area. The CONRAC will better address rental car and Airport operational needs as well as environmental considerations.

Fuel Logistics - Rail Terminal Ethanol Pump Station - \$693,029

Create a rail terminal pumping station for delivery of ethanol from the midwestern U.S. supply to the Eugene tank farm to supply the entire southern part of Oregon. This would eliminate the current unsafe practice of 4,000 tanker trucks per year to shuttle the fuel the final mile from rail to fuel tank farm and provide an efficient backup method of fuel delivery to the Eugene tank farm terminal.

Lane Transit District - Gateway Park & Ride - \$3,235,360

The Gateway Park & Ride project will provide connections to industrial and employment areas, link workers to jobs, provide for efficient and reliable means of transportation for commuters around the region, and generally improve the quality and safety of Gateway Street and International Way.

Pacific Recycling Inc. (PRI) Reloading and Dismantle Facility - \$2,800,000

This proposal involves development and construction of an 11.08 acre multimodal reloading and railcar dismantling facility to service and benefit businesses in Oregon, giving them the ability to reach markets via rail in terms of both shipping and receiving, while giving the current PRI scrap facility the ability to transport scrap metal by rail.

Port of Siuslaw - Wharf Repair and Waterfront Revitalization - \$1,748,352

This project will: repair piling and decking on a 22,000 square foot wood wharf, extend the wharf 5,500 square feet to allow for business expansion, to create at least 10 new long-term jobs, retain 130 existing jobs, improve access to local jobs, maintain a critical link between water and highway transportation routes, and supply an economic benefit to the Florence area, Lane County and the state of Oregon.

Review Process and Schedule

The review process is highly structured and certain reviews must precede others. Modal Committees consisting of Freight, Transit, Aviation, Marine, and Rail just completed their reviews and results for Lane County projects are in a table on page 7 in this memo. Committee composition and other information is at:

http://www.oregon.gov/ODOT/COMM/CO/committees.shtml#Modal_Committees

There is also a Regional Committee Review process consisting of Area Commissions on Transportation (ACTs) and other designated bodies in areas where there is no ACT (Lane County and the Portland area). There is an April 29 All Area meeting where Region 2 Committee prioritization will occur. Central Lane Metropolitan Planning Organization area (MPO) and Lane County's priorities will be considered at the April 29 meeting. Modal Committee Reviews were published March 25 and must be considered in the Regional Committee Reviews. The Regional Review cannot begin prior to March 24. Review committees are not permitted to interview prospective applicants before the beginning of the designated review period that started March 24.

A Final Review Committee is scheduled to evaluate the applications between May 17 and June 9, 2010. A public hearing before the Oregon Transportation Commission (OTC) is scheduled for July 21, 2010. OTC anticipates adopting a single, statewide list of selected projects on August 24, 2010.

Review Instructions

ODOT requests that the Board 1) “Tier” all five proposals from Area 5; 2) “Rank” projects High, Medium, and Low; and 3)irrespective of tiers, prioritize all proposals from 1 (highest priority) through 5. Identifying a single prioritized list is the most important objective for the Board (and you are also requested to adopt Tier placements and Ranks for each Lane County project).

Modal Committees and local staff have already carried out the exercise of identifying how well the Tier Considerations (listed below) are met. The scoring sheets for each project, prepared by County and ODOT Region 2/Area 5 staff, are in Attachment 2. The Board is not constrained by any rules in the ordering of your priorities. You may use Tier considerations but are not required to do so.

More detailed instructions begin on page 15 of the “Instructions for Reviewers” document in the Board Office binder. Page 23 of that document discusses prioritization. The Instructions and other Area 5 documents are also located at this Internet site: ftp://ftp.odot.state.or.us/outgoing/COIII_Area5/

Tier Considerations

The following “considerations” are used to place projects into Tiers pursuant to Oregon Administrative Rules (OAR) 731-035-0060, which implements the program:

- Whether a proposed transportation project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;
- Whether a proposed transportation project results in an economic benefit to this state;
- Whether a proposed transportation project is a critical link connecting elements of Oregon’s transportation system that will measurably improve utilization and efficiency of the system;
- How much of the cost of a proposed transportation project can be borne by the applicant for the grant or loan from any source other than the Multimodal Transportation Fund; and
- Whether a proposed transportation project is ready for construction.

The first 3 of the above considerations are “strategic”. Projects fall into a given Tier based upon how many total considerations and strategic considerations are “thoroughly met”:

Tier 1	35-40 Points	Proposal thoroughly meets all 5 considerations
Tier 2	27-34 Points	Proposal thoroughly meets all 3 of the first 3 strategic considerations
Tier 3	16-26 Points	Proposal thoroughly meets 1 or 2 of the first 3 strategic considerations
Tier 4	1-15 Points	Proposal does not meet any of the strategic considerations

Modal Committee Prioritization Results

Complete Modal Committee priority spreadsheets are in the Board Office Binder. Lane County project placements on those sheets are reflected in the table below. A Freight Committee, in addition to the other Modal Committees, also prioritized freight-related projects. The Port of Coos Bay priority ratings are included for your information; however Region 2 was not asked to make a recommendation about this project.

Higher point ratings are better, whereas the highest priority score is 1.

MODAL COMMITTEE REVIEW RESULTS FOR LANE COUNTY PROJECTS					
Applicant Name	Project Name / Description	Total ConnectOregon Funds Requested	Points (40 Max)	Modal Committee Priority	Freight Committee Priority
City of Eugene Airport	New Consolidated Car Wash Facility	\$ 3,200,000.00	16	Aviation 23 (of 24)	N/A
Fuel Logistics	Rail Terminal Pumping Station for Ethanol	\$ 693,029	14-Rail 11-Freight	Rail 31 (of 31)	39 (of 43)
Lane Transit District	Gateway Park and Ride	\$ 3,235,360.00	29.4	Transit 8 (of 16)	N/A
Pacific Recycling Inc.	PRI Reload and Dismantle Facility	\$ 2,800,000.00	11.5-Rail 5-Freight	Rail 29 (of 31)	43 (of 43)
Port of Siuslaw	Wharf Repair and Waterfront Revitalization	\$ 1,748,352.00	27	Marine 4 (of 14)	N/A
Port of Coos Bay (Region 3)	Rail and Tunnel Repairs/Upgrades	\$ 7,799,976	31-Rail 35-Freight	Rail 2 (of 31)	2 (of 43)

ODOT/Lane County Staff and Transportation Planning Committee (TPC) Prioritization

ODOT Area 5 Planning and Transportation Growth Management staff met with the County Transportation Planning division manager on March 24 and sorted projects into tiers, ranked projects High, Medium, and Low, and developed a priority list recommendation based upon an evaluation of Tier placements. Points and priorities are shown in the table below.

The Central Lane MPO TPC met on March 25, to develop a priority list recommendation for the Metropolitan Policy Committee (MPC) to consider at their April 8 meeting and the recommendation is shown below. TPC considered only the MPO area projects (excluding the Port of Siuslaw). Lane Transit District received the highest priority on the TPC list due to its regional importance and great financial need, irrespective of Tier ratings. LTD staff indicated that but for the CO III opportunity, the Gateway Park and Ride project would not be possible.

LOCAL STAFF COMMITTEE SCORES					
Applicant Name	Project Name / Description	Total ConnectOregon Funds Requested	Points (40 Max)	ODOT Area 5/Lane County Staff Priority	TPC Priority
City of Eugene Airport	New Consolidated Car Wash Facility	\$ 3,200,000.00	13	5	4
Fuel Logistics	Rail Terminal Pumping Station for Ethanol	\$ 693,029	30	4	3
Lane Transit District	Gateway Park and Ride	\$ 3,235,360.00	26	3	1
Pacific Recycling Inc.	PRI Reload and Dismantle Facility	\$ 2,800,000.00	30	2	2
Port of Siuslaw	Wharf Repair and Waterfront Revitalization	\$ 1,748,352.00	34	1	Outside MPO

Staff will report on MPC priorities on April 14.

The Board is asked to adopt the attached Board Order and Exhibit as proposed or change the Tier placements, High, Medium, Low rankings, and Priorities as deemed appropriate.

County staff's recommendation in your Board Order prioritized LTD over PRI as discussed below under Recommendation.

IV. Alternatives/Options

1. Approve the Board Order and Exhibit A
2. Revise the Board Order
3. Take No Action

V. TIMING/IMPLEMENTATION

As noted above the Region 2 All Area meeting will occur April 29 and the Lane County projects will be reviewed along with all others from Region 2 in that meeting. The Regional Committee is charged with coming up with a single prioritized list. A Final Review Committee is scheduled to evaluate all 97 statewide applications between May 17 and June 9, 2010. A public hearing before the OTC is scheduled for July 21, 2010. OTC anticipates adopting a single statewide list of selected projects on August 24, 2010.

VI. RECOMMENDATION

Option 1. Exhibit A in the Board Order prioritizes as follows: Port of Siuslaw, LTD, PRI, Fuel Logistics, and City of Eugene. Fuel Logistics scored higher in points than LTD during the ODOT-Lane County staff rating exercise, but the Fuel Logistics proposal would also eliminate some jobs. On the one hand this is a result of efficiency improvements; on the other, job creation is a more critical objective of the CO III program.

Also, unlike the priorities established on March 24 in consensus with ODOT staff, LTD is recommended as a second priority ahead of PRI. County staff's change is based upon TPC discussion on March 25, and review of Modal Committee priorities, which rated PRI and Fuel Logistics much lower.

The Board is not required to prioritize based upon the Tier scores. While staff disagrees with the lower Modal Committee scoring for the two private companies and believes all five Lane County projects have merit, the possibility of funding for the two private entities appears lower than the possibility for LTD. So from a strategic perspective it seems more appropriate to rate LTD higher.

The Port of Siuslaw most clearly rose to the top of all proposals. It also scored well at the Modal Committee level.

VII. FOLLOW-UP

A Commissioner is asked to confirm attendance at the April 29 Region 2 All Area meeting. No other Lane County follow-up is necessary.

VIII. ATTACHMENTS

1. Board Order and Exhibit A
2. Lane County/ODOT Staff (Region2/Area 5) Project Review Sheets ("A-9 Sorting Process Template")
3. Project Description Sheets for Lane County Projects (Application Page 2)
4. Statewide Project Descriptions Sorted by Mode and Region

Board Office ConnectOregon Binder Contents

Agenda Cover Memo and Attachments 1-4 Above

5. ConnectOregon III Frequently Asked Questions
6. ConnectOregon III Applications Listed by Mode and Region (Spreadsheet)
7. Instructions for Reviewers
8. Modal Review Committee Review Matrices: Aviation, Marine, Rail, Transit, Freight
9. Individual Scoring Sheets and Complete Application Materials for Lane County Applicants
 - a. City of Eugene
 - b. Fuel Logistics
 - c. Lane Transit District
 - d. Pacific Recycling Inc.
 - e. Port of Siuslaw