



# ConnectOregon Program

## Application

### PART B - Applicant Qualifications

#### 1. CONTACT INFORMATION

##### APPLICANT

|   |  |
|---|--|
| ORGANIZATION NAME<br>Community Connection of Northeast Oregon, Inc. | PRIMARY CONTACT PERSON AND TITLE<br>Frank Thomas, Union County Manager |
| ADDRESS<br>104 Elm Street   | TELEPHONE<br>(541) 963-7532  |
| CITY, STATE AND ZIP CODE<br>La Grande, OR 97850                     | FAX<br>(541) 963-5932  |

##### CO-APPLICANT / CO-SPONSOR

|   |   |
|---|---|
| ORGANIZATION NAME<br>Union County               | PRIMARY CONTACT PERSON AND TITLE<br>Steve McClure |
| ADDRESS<br>1106 K Avenue                        | TELEPHONE<br>(541) 963-1001                       |
| CITY, STATE AND ZIP CODE<br>La Grande, OR 97850 | FAX<br>(541) 963-1079                             |

#### 2. IS / ARE THE APPLICANT(S) CURRENT ON ALL STATE AND LOCAL TAXES, FEES AND ASSESSMENTS?

YES       NO If NO, Explain:

### PART C - Project Description

#### 3. PROJECT DESCRIPTION AND PURPOSE: Summarize the project's description and purpose. Provide maps in 8 1/2 "X 11" format as hard copy only.

Construction of a one-stop transit hub serving Baker, Union and Wallowa Counties combining fixed route, dial-a-ride, paratransit, Medicaid contract service, taxi, bicycle-pedestrian, park-n-ride, regional commuter connections (including access to commercial and private air carriers) and Greyhound.

The purpose of this investment is to provide the bricks and mortar nerve center to support the regionally critical expansions currently in the pipeline including: commuter routes from Baker and Wallowa Counties (areas of high unemployment) to Union County's light industrial employers - presently suffering from a shallow labor pool; cooperative connecting routes to Umatilla County with an emphasis on access to a commercial air carrier (Horizon Air); and imperative connections between rural communities and Greyhound.

By focusing regionally we intend to address the interstate, highway and air needs of many communities without present day access. The truth is, the State of Oregon has excellent transit infrastructure with a broad range of options. There's no need for us to reinvent the wheel. Our mission is to provide a place and a mechanism for the passenger to make the critical entry level connection into the statewide system.

**4. ConnectOregon (CO) Project Budget**

**SOURCES OF FUNDS:** Please identify the source and amount of moneys comprising your project budget in terms of grants, loans, match and other funds.

| SOURCES:   | Amount      | Percent of Total | DATE AVAILABLE |         |
|--|-------------|------------------|----------------|---------|
|  |             |                  | Cal Year       | Quarter |
| a. ConnectOregon Grant                             | \$893, 929  | 80%              | 2006           | 4       |
| b. ConnectOregon Loan                              | \$          | %                |                |         |
| c. Required Match (Grants -20% of Total Project) 1 | \$223, 483  | 20%              | 2006           | 4       |
| d. Other Leveraged Funds (2)                       | \$          | %                |                |         |
| e. Other Leveraged Funds (2)                       | \$          | %                |                |         |
| f. Other Non-Leveraged Funds (Describe)            | \$          | %                |                |         |
| g. Other Non-Leveraged Funds (Describe)            | \$          | %                |                |         |
| <b>TOTAL*</b>                                      | \$1,117,412 | 100%             |                |         |

(1) Please describe the source and timing of the 20% match shown above. If applicable include the cost basis of property.

Please See Addendum Page 8 - All sources available in Fiscal Year 2007 (July 1, 2006 to June 30, 2007) unless otherwise noted.

(2) If your project leverages other funds beyond the ConnectOregon grants, loans and match required for your project, please describe the source, timing and basis for valuing the other funds. Leveraged funds must be shown in 1(d) and 1(e) above.

**USES OF FUNDS:** Please identify the proposed uses and amount of moneys comprising the project budget.

| USES:  | Amount      | Percent of Total | DATE AVAILABLE |         |
|--|-------------|------------------|----------------|---------|
|  |             |                  | Cal Year       | Quarter |
| Labor (Payroll)                                      | \$53,500    | 4.79%            | 2006           | 3       |
| Contracted Services (If Known)                       | \$76,000    | 6.80%            | 2006           | 4       |
| Materials and Supplies                               | \$2,000     | .18%             | 2006           | 4       |
| Capital Outlay (Land)                                | \$230,000   | 20.58%           | 2006           | 3       |
| Capital Outlay (Buildings)                           | \$573,000   | 51.28%           | 2007           | 1       |
| Capital Outlay (Equipment)                           | \$40,400    | 3.62%            | 2007           | 2       |
| Other (Describe): <u>Site work &amp; Landscaping</u> | \$129,512   | 11.59%           | 2007           | 1       |
| Other (Describe): <u>Fees and Insurance</u>          | \$13,000    | 1.16%            | 2006           | 4       |
| Other (Describe): _____                              | \$          | %                |                |         |
| Other (Describe): _____                              | \$          | %                |                |         |
| <b>TOTAL*</b>  | \$1,117,412 | 100%             |                |         |

*\*Totals for Sources of Funds and Uses of Funds must be equal*

## 5. REAL ESTATE

EXACT ADDRESS OR LEGAL DESCRIPTION:

|  |   |                                    |                                 |
|--|---|------------------------------------|---------------------------------|
| a. IS PROPERTY OWNED BY APPLICANT(S)?                      | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | PURCHASE PRICE<br><b>\$55,000</b>  | DATE<br><b>10/10/1983</b>       |
| b. IS PROPERTY TO BE PURCHASED?                            | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | PURCHASE PRICE<br><b>\$230,000</b> | DATE<br><b>Proposed 12/2006</b> |
| c. IS PROPERTY TO BE LEASED?                               | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |                                    |                                 |
| d. DOES THE PROJECT INCLUDE EASEMENTS OR DONATED PROPERTY? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |                                    |                                 |

Provide any additional details here:

**Please see Exhibit C, Exhibit D and Exhibit A**

## PART D - Project Considerations

NOTE: The independent review consultant who will evaluate the project may consider other published or publicly available information when conducting this review.

**6. TRANSPORTATION COST REDUCTION:** Describe how the project reduces transportation costs for Oregon businesses.

According to a recent Region 13 Economic Profile released by the Oregon Employment Department the local economies of northeast Oregon have lost over 700 Wood Products jobs since 1990. However, during the same period 540 light industry and 680 service industry jobs have been created. During the last 18 months we have seen a more rapid retreat of family waged Government and Education jobs (and in the absence of a local Homeland Security or Defense firm this trend is likely to continue). Today, light industry is more important to the region than ever.

Light industry faces another challenge in our market. Union County's unemployment rate (6.9%) only slightly exceeds the State benchmark (6.3%). The resulting labor pool is very shallow. While Baker and Wallowa Counties have seen gains, their unemployment rates (7.7% and 8.1%, respectively) represent the best opportunity to staff the growing demand for light industry labor in the Union County market.

(continued in Addendum 8)

**7. MODAL CONNECTIVITY:** Describe how the project benefits or connects two or more modes of transportation.

This project consolidates 7 local modes (fixed route, dial-a-ride, paratransit, taxi service, bicycle-pedestrian, park-n-ride, medicaid contract transit services) and Greyhound interstate all under one roof. IN DEVELOPMENT, we also endeavor to hook up commuter modes from intercounty connections, local private air service, a direct connection to Horizon Air in Pendleton and support for the Union-Wallowa Railroad.

In terms of time, collocation of Greyhound within the populus center will save over 1,000 annual hours in commuter access; providing a collection point for Horizon Air for only one PDX bound passenger a day would save another 1,000 annual hours and 365 sets of wheels along I-84; anecdotally, we will also see an acceleration of product cycles, stability through redundancy and improved market equity for new and existing parnters when providers can meet by walking down the hall rather than running all over town - or between counties.

(Continued in Addendum 9)

**8. STATEWIDE OR REGIONAL TRANSPORTATION LINK:** Describe how the project creates a critical link in a statewide or regional transportation system.

This project puts two critical connections on the fast track for all of Northeast Oregon that do not presently exist. First, a direct connection with the Pendleton Airport and Horizon Air. Second, a regular connection between Wallowa County where no interstate service exists and a one-stop transit hub featuring Greyhound.

These improvements notwithstanding, this project supports the connections under development between Baker, Umatilla, Union and Wallowa Counties. It breaks the geographic (and \$2.50/gallon) barrier between the region's large light industry employers and those seeking family wage jobs. In addition it provides regular connections to education and training resources available through Eastern Oregon University and Blue Mountain Community College.

In addition, this project physically consolidates and links the interstate provider (Greyhound) with the other local and regional collectors. This collocation opportunity will immediately increase efficiency for regional access, complement pre-existing investments in successful systems, present more options to Oregon businesses AT A COST SAVINGS and take single occupant private passenger vehicles off the road.

In the absence of this project, almost no passenger has an alternative to access PDX outside of wheels on Interstate 84. Some passengers have no access at all.

(Continued in Addendum 9)

**9. COST BORNE BY APPLICANT(S):** Provide the amount by which the project will exceed, or, provide a match beyond *ConnectOregon's* minimum grant-match requirement of 20%.

In addition to putting 20% match on the table, Community Connection will be supporting this project with \$25,000+ of marketing expenditures and \$10,000 of complementary and related, but not match eligible capital expenditures (5 acrylic bus shelters). In addition, Community Connection intends to operate and maintain the proposed facility and the services it supports from within our existing and developing resource base (without further funding requests to ConnectOregon).

**10. PERMANENT AND CONSTRUCTION JOBS CREATION/RETENTION:** Describe how the project creates and retains permanent and construction jobs in Oregon.

This project will have a casual impact on construction jobs while it is being built to be sure. There will also be a need for an on-going maintenance/landscape contractor to tend the completed facility's grounds. However, the big employment bang for your buck resides in the planned commuter routes supported by this bricks and mortar investment.

Our endeavor to deliver a just-in-time supply of skilled labor to the regional light industrial firms will break the geographic (and the \$2.50/gallon) barrier between family waged jobs and those who are available to work them. Increasing the ready supply of labor to regional industry will allow local interests to expand and create new jobs. IN ADDITION, the intentional links between the region and EOU (and in the pipeline, Blue Mountain Community College) provide a level of access to vocational improvement that is without precedent anywhere in rural Oregon.

**11. ANTICIPATED CONSTRUCTION START DATE OR EQUIVALENT:** April 2007

**12. ANTICIPATED PROJECT COMPLETION DATE:** December 2007

**13. CONSTRUCTION READINESS:** Provide a project timeline and describe where the project is on this timeline in relation to planning, design and permitting issues.

| <b>SITE</b>                             | <b>PROPOSED</b> | <b>COMPLETED</b>                   |
|---|-----------------|------------------------------------|
| <b>Earnest Money Agreement Executed</b> |                 | <b>2/2006</b>                      |
| <b>Site Acquisition</b>                 | <b>12/2006</b>  |                                    |
| <b>Zoning Approval</b>                  |                 | <b>Project is an outright use.</b> |
| <b>Building Permits Issued</b>          | <b>3/2007</b>   |                                    |
| <b>PRE-DEVELOPMENT</b>                  |                 |                                    |
| <b>Floor Plan Drafted</b>               | <b>2/2006</b>   |                                    |
| <b>Plans Completed</b>                  | <b>1/2007</b>   |                                    |
| <b>Final Bids</b>                       | <b>3/2007</b>   |                                    |
| <b>Contractor Selected</b>              | <b>3/2007</b>   |                                    |
| <b>CONSTRUCTION BEGINS</b>              | <b>4/2007</b>   |                                    |
| <b>CONSTRUCTION COMPLETED</b>           | <b>11/2007</b>  |                                    |
| <b>OCCUPANCY CERTIFICATE ISSUED</b>     | <b>12/2007</b>  |                                    |

**14. PROJECT OPERATIONS:** How will the ongoing maintenance, operation and replacement of the project be financed?

Community Connection will address these everyday expenses from within our existing and developing resources. We will also generate new revenue from transit services supported by this investment, leasing space within the facility to Greyhound, the taxi, other partners and the sale of park-n-ride and long term parking permits.

**15. OTHER CONSIDERATIONS AND INFORMATION:** Describe any other considerations and information you would like taken into account about the project.

Community Connection has a solid history of researching, planning, developing and deploying successful transit projects. We provide in excess of 800 rides every week to a County with less than 25,000 citizens. We designed, deployed and now operate a fixed route transit system serving a community of less than 13,500 at an efficiency of better than 6 rides per hour (since inception) and an annualized per capita market penetration rate as high as 2.36.

Community Connection transit coordination projects are award winning endeavors (in fact, we received the first ConnectOregon branded award on the subject - see Exhibit H). We have sufficient management, administrative and financial resources to complete this project. We are approaching the ConnectOregon opportunity as a one-time partnership (we will not require your on-going financial participation to sustain our proposal over time). Our unique portfolio of community support programs provides diversity, redundancy and multi-capable professionals to pay profound returns on your modest investment over a period of time best measured in decades.

Please take a few minutes to browse through the accompanying supplemental publication entitled Connecting the Dots.

**PART E - Supporting Materials:** Provide a list here of supporting materials that will be provided as part of your hard copy submission.

Exhibit A: Connecting the Dots - A Supplemental Narrative to the ConnectOregon application

Exhibit B: Map of existing transit providers

Exhibit C: Site Plan for the 2000 block of East Penn Avenue in La Grande, Oregon

Exhibit D: Draft conceptual floor plan

Exhibit E: The Shuttle Rider's Guide

Exhibit F: Greyhound Corporate Letter of Support

Exhibit G: Publication: Transportation Costs & Benefits - Resources for Measure Transportation Cost and Benefits by the Victoria Transport Policy Institute, March 2005. - many parts of which are included in this application by reference and citation.

Exhibit H: ConnectOregon branded award recognizing Community Connection's leadership in developing outstanding coordinated transit systems.

**ADDENDUM PAGE 8:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**SECTION A - QUESTION 2 - ADDITIONAL CO-SPONSORS:**

|                       |                |
|-----------------------|----------------|
| City of Island City   | Dale DeLong    |
| 10605 Island Avenue   | (541) 963-5017 |
| Island City, OR 97850 | (541) 963-1079 |

|                   |                |
|-------------------|----------------|
| City of Elgin     | Joe Garlitz    |
| 108 N. 8th Street | (541) 437-2253 |
| Elgin, OR 97827   | (541) 437-2253 |

We will also be inviting the City of La Grande at an upcoming meeting (after the submission deadline).

**SECTION C - QUESTION 4 (1) - MATCH:**

Community Connection match = \$223,483 in pledges, cash, land and eligible improvements.

Pledged cash sources (for a total of \$137,983) are as follows: Union County - \$10,000; City of Island City - \$2,000; City of Elgin - \$500; Community Connection: BETC - \$50,000; Section 5311 - \$30,000; General Fund - \$10,000; Building Fund - \$5,000; Contract Income Carry Over projection FY'06 - \$15,000; Administration Office General Fund - \$15,483. In addition, we will be inviting the city of La Grande (\$10,000) to the table for a cash match potential of \$150,606 (over 93% secured before submission).

Union County/Community Connection pledge \$75,500 in eligible land/improvements.

Total Match = \$223,483

**SECTION D - QUESTION 6 - TRANSPORTATION COST REDUCTION:**

Community Connection has two under utilized 14-passenger buses in Baker and Wallowa Counties and three 12-passenger buses in route (Elgin, North Powder & Union). We are also making biennial investments in rolling stock with intent to use surplus and developed capacity to deliver labor to Union County's light industry. This project provides the bricks and mortar for these critical connections. The launch of this service will IMMEDIATELY impact Oregon businesses. For little or no cost to business we will generate over 14,000 annual just-in-time deliveries.

Consider a few examples from the Victoria Transport Policy Institute's report on Measuring Transportation Costs and Benefits (March 2005, [www.vtip.org/tdm/tm66.htm](http://www.vtip.org/tdm/tm66.htm)). A number of factors affect per capita transportation costs including land use patterns and transportation options available in the market. One study (McCann, 2000) found that households in more automobile dependent communities (like those we propose to support) devote more than 20% of their expenditures to surface transportation (more than \$8,500 annually) while those communities with more transit diversity spend less than 17% (less than \$5,500 annually). This study backs up the findings of an international comparison by Newman and Kenworthy (1999).

In terms of regional occupational commutes the time cost of a bus passenger is 35% of the current average wage - as opposed to 50% in a personal vehicle (Waters, 1992). This cost savings alone would equal over \$20,000 annually if the service this investment supports ran at only 25% capacity. Add in a multiplier of 1.33 (Waters, 1992) for the anticipated Level of Service D in the light industry corridors (Union County TSP 1997) and all of a sudden, taking cars off the road becomes of almost equal importance to saving local businesses and commuters a few travel dollars. In addition to the cost savings and congestion mitigating benefits, having increased access to the regional labor market will save local firms thousands in time and labor for human resource recruitment and retention.

One of the largest costs associated with travel (but not commonly considered) is time. This is also our best opportunity to produce a cost savings because those engaged in Oregon business tend to have more demands on their schedule and are frequently willing to pay more for perceived travel time savings. If we consider only the proposed collection of Horizon Air bound passengers at the multi-modal facility and only one passenger a day the cost savings is staggering.... IRS rate mileage reimbursement is presently \$0.445 / mile. Add to this the area median income (roughly \$32,000/year or \$15.38 / hour). A trip to PDX (without stops) from the proposed hub is 256 miles - one way - (roughly 4 hours). A round trip would run \$350.72 under the best conditions (no snow, no accidents, no Portland congestion, no stops, no overnight stay required). By way of comparison it takes an estimated 2 hours and 45 minutes to reach PDX using our proposed commuter service and Horizon Air. Assuming the bus fare is \$15 / direction and air tickets are purchased at the bargain rate (2 weeks in advance) the total cost of this round trip becomes \$245.79. Based on only one passenger, 5 days a week, this commute saves over \$27,000 every year. Over the 30 year minimum life span of this investment, the savings from this example ALONE almost justifies the entire price tag of this project.

**ADDENDUM PAGE 9:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**SECTION D - QUESTION 7 - MODAL CONNECTIVITY:**

As clearly demonstrated in the response to Section D - Question 6, multimodal connectivity and the benefits that come along with it have a broad scope of impact. The capital portion of this investment helps local commuters and businesses mitigate such factors as travel time, the cost of vehicle ownership and use, risk sharing (insurance), nonresidential off-street parking, roadway costs, congestion, and other lower profile expenses including residential parking, fuel externalities, environmental costs and traffic services. There simply are no downsides. Subsequently, we anticipate that our services will continue to grow in profile and popularity.

We feel the improved connections can be best measured in terms of increased ridership. Our bus fares are calculated based on the benchmark volume for viability (established by FLT Consulting) of six rides per hour. Our goal is to reach this threshold within 36 months of operations, evaluation and promotional support. The fixed route transit system (which was also non-existent before we launched it in April of 2005) hit the threshold benchmark in its 23rd week (rounded up to six months for the purposes of this exercise). The following conservative projections for new ridership on the proposed systems were generated by slowing our actual fixed route growth curve by a factor of 6 (to project a full 3 year gestation period). New annual rides are as follows:

FY 2008 = 8,736 new system rides  
FY 2009 = 13, 104 new system rides  
FY 2010 = 17,472 new system rides

It is anticipated that at maturity Community Connection will experience upwards of 20,000 annual rides that we are presently missing. Greyhound, Horizon and other partners will likewise benefit from an increase in passenger volume delivered through the consolidated network.

Finally, regular service between the multi-modal hub and regional destinations will provide a brand new business freight network. The cost of freight to us as a provider is negligible since we'll be sending the buses to these points (including local air service and from the local hub, commercial air service) several times a day regardless. Passing on this time and money saving service to our partners in commerce as a value added benefit will improve their efficiency, competitiveness and subsequent profit margin - keeping those precious dollars in our region.

**SECTION D - QUESTION 8 - QUANTIFYING STATEWIDE AND REGIONAL TRANSIT LINKS:**

Almost all of the quantitative measurements suggested and projected in Part D - Question 6 & 7 could be duplicated here but instead we'd like to reiterate how this project addresses the most obvious bottlenecks in the region. By serving the entire region - rather than a single community or county - we have addressed the interstate highway and air needs of many communities without present day access. As we mentioned in the first narrative field, the State of Oregon has an excellent transit based infrastructure with a broad range of options. There's no need for us to reinvent the wheel. Our job is simply to provide a place and a mechanism for the passenger to make the entry level connection into the statewide system.

This project has a statewide impact because it bridges the first gap on a regional and local level.

**ADDENDUM PAGE 10:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**ADDENDUM PAGE 11:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**ADDENDUM PAGE 12:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.