

# ODOT Funding Package Resource Library

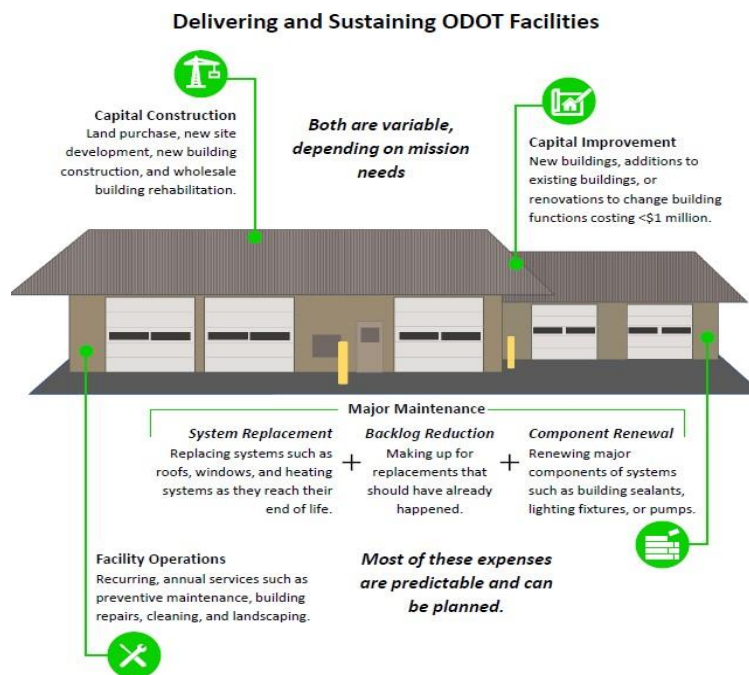
## Funding the Maintenance of ODOT Facilities Infrastructure

The Oregon Department of Transportation (ODOT) owns, operates, and maintains approximately 1,200 buildings with a total replacement value exceeding one billion dollars:

- 66 office buildings provide office space for ODOT employees to conduct their work
- 102 maintenance stations enable crews to meet the needs of the highway system
- 62 scale houses and Points of Entry enable regulation of the trucking industry
- 171 communication sites provide wireless radio communications for Oregon State Police and ODOT maintenance crews across the state
- 800 buildings such as sand and salt sheds, housing in extremely remote locations, and other support buildings are essential for ODOT wide-ranging operations.

The lifespan of these facilities varies, and when new facilities must be constructed to supplement or replace existing structures, Capital Construction and Capital Improvement funding is used.

Figure 1: ODOT Facility Expenses



Additionally, to adequately maintain these facilities, ODOT must pay monthly operating costs (e.g., utilities, janitorial, landscaping, routine and on-demand maintenance), and perform routine maintenance (e.g., replacing pumps, motors, light fixtures, roofs, heating/air conditioning systems,

flooring, windows, etc.) which is referred to as Major Maintenance. Major Maintenance, ESB, and operating funds are used to operate and maintain the facilities.

For many years, Major Maintenance activities for facilities have been grossly underfunded—far below what is considered industry standard. This underfunding will shorten the useful life of buildings and require additional capital investment to ensure we can continue to provide a safe, efficient transportation system for Oregonians.

To prioritize ODOT maintenance needs, ODOT Facilities conducts a standardized Facilities Condition Assessment (FCA) on every building every five years to identify necessary repairs and replacements, including cost estimates. These deficiencies are then prioritized based on the urgency of action, ranging from immediate needs to those that can be addressed in five years or more.

ODOT funding has declined, while inflation has risen significantly in recent years, resulting in a substantial backlog of facility deferred maintenance needs.

*Figure 2: Facility Deferred Maintenance Needs*

Funding Type	17-19 Expended	19-21 Expended	21-23 Expended	23-25 Budgeted	25-27 Estimated
Major Maint (DM/CR)	\$9,932,746	\$7,298,922	\$4,482,763	\$2,700,000	\$2,700,000
ESB	\$3,636,322	\$3,101,345	\$4,858,277	\$1,415,140	\$1,400,000
Tenant Funded	\$4,533,957	\$3,360,208	\$4,514,207	\$1,370,312	\$1,000,000
<b>Total DM Funding</b>	<b>\$18,103,025</b>	<b>\$13,760,475</b>	<b>\$13,855,247</b>	<b>\$5,485,452</b>	<b>\$5,100,000</b>

The data shown in the table below displays ODOT’s current list of 3,256 identified facility deficiencies, totaling over \$282M.

*Figure 3: Facility Deficiencies List*

FCA Data	# of deficiencies	Total \$
Priority 1	1027	\$ 49,821,722
Priority 2	1018	\$ 32,373,653
Priority 3	355	\$ 23,935,054
Priority 4	856	\$ 176,649,022
<b>Total</b>	<b>3256</b>	<b>\$ 282,779,451</b>

In response to the trend of decreased funding and increased needs, ODOT hired Facility Engineering Associates (FEA), a national consulting firm, to review the department’s list of facility deficiency data and determine the funding required to keep ODOT buildings functional and properly maintained per industry standards. FEA used ODOT’s list of identified deficiencies and leveraged their database of component and system replacement timelines to calculate the funding necessary to address ODOT’s deferred maintenance backlog for facilities and ensure the department’s buildings are adequately maintained. They used the industry standard to calculate the annual funding requirement based on the Current Replacement Value (CRV) of ODOT buildings which totals \$1.07 billion.

Their findings are as follows:

- System replacement and backlog reduction funding of 1.89% of CRV = \$20.2M
- Component replacements of 2.19% of CRV = \$23.4M

- Total annual funding = \$43.6M, or \$87M biennially

Since the overall list of deficiencies is so large compared to ODOT’s budgeted maintenance allocation, the department prioritized each category based on the urgency of the necessary actions. This includes critical issues such as repairing/replacing leaking roofs, replacing malfunctioning HVAC units and resolving building envelope deficiencies to ensure ODOT buildings are watertight, preventing further deterioration and promoting healthy working conditions for ODOT employees.

Figure 4: Facility Deficiencies by Type and Priority

	Priority 1 - Immediate		Priority 2 - 1 to 2 years		Priority 3 - 3 to 4 years		Priority 5 - 5 years or more	
	# of deficiencies	Total \$	# of deficiencies	Total \$	# of deficiencies	Total \$	# of deficiencies	Total \$
HVAC	106	\$ 2,071,413	76	\$ 1,182,140	28	\$ 211,868	246	\$ 2,356,824
Envelope	289	\$ 3,242,232	285	\$ 3,157,643	105	\$ 1,513,207	143	\$ 3,296,758
Roof	103	\$ 2,532,419	70	\$ 1,780,892	22	\$ 1,951,100	48	\$ 1,542,565
<b>Total</b>	<b>498</b>	<b>\$ 7,846,063</b>	<b>431</b>	<b>\$ 6,120,674</b>	<b>155</b>	<b>\$ 3,676,175</b>	<b>437</b>	<b>\$ 7,196,146</b>

The department will prioritize the most critical Priority 1 deficiencies, addressing urgent issues such as severe roof leaks and failing HVAC units. ODOT will continue with these necessary projects until the funding is depleted. If additional funding is provided, all Priority 1 deficiencies would be completed, followed by Priority 2 deficiencies (by next year these will become priority 1 deficiencies) which will be prioritized and completed in the highest priority order. If further funding is secured, other Priority 1 and 2 deficiencies—beyond just roofing, HVAC, and building envelope issues—will be completed, since there are over 1,000 of those deficiencies identified, as well.

As buildings age, even with regular maintenance and system replacements that have been performed, at some point the entire building needs to be replaced. Of the 102 primary maintenance station buildings, 36 are over 70 years old, and many are now functionally obsolete—no longer meeting the needs of ODOT maintenance crews, which in turn impacts the services provided to Oregonians. Modern equipment is much larger than equipment 70 years ago, and today’s equipment doesn’t fit inside most of these aging buildings.

With the help of FEA, ODOT developed a prioritized list of 17 critical Capital Construction projects, totaling \$518M, utilizing prioritization criteria that considered both condition-based and non-condition-based factors. The department’s plan is to request a large bond (\$150-\$300M) to fund the replacement of the highest-priority buildings, helping to reduce the large backlog. Going forward, ODOT will continue to seek funding for the Capital Construction program each biennium to keep up on aging building replacements.

ODOT’s roughly 1,200 facilities play a critical role in supporting Oregon’s transportation system, but the decline in available funding has given rise to a significant backlog of facility deferred maintenance that falls short of industry standards. Owning and maintaining these buildings requires sustained funding for operations, maintenance and replacement. As identified deficiencies are corrected, new issues are added to the list each year, creating an ongoing cycle of needs, including the eventual

replacement of outdated facilities. Addressing these challenges requires thoughtful and strategic allocation of funding each biennium, balancing the increasing demands of ODOT infrastructure with the resources available.