FOR THE PURPOSES OF DIVISION 35 RULES, THE FOLLOWING TERMS HAVE THE FOLLOWING DEFINITIONS, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

(1) "Agreement" means a legally binding contract between the Department and Recipient that contains the terms and conditions under which the Department is providing funds from the Connect Oregon Fund for an Approved Project.

(2) "Applicant" means a Person or Public Body that applies for funds from the Connect Oregon Fund.

(3) "Approved Project" means a Project that the Commission has selected to receive funding through either a grant or loan from the Connect Oregon Fund.

(4) "Area Commissions on Transportation" means advisory bodies chartered by the Oregon Transportation Commission (OTC) through the Policy on Formation and Operation of Area Commissions on Transportation (ACTs) approved by the OTC on June 18, 2003.

(5) "Aviation" is defined in ORS 836.005(5).

(6) "Bicycle" has the meaning given in ORS 801.150.

(7) "Oregon Bicycle and Pedestrian Advisory Committee" means the committee created in ORS 366.112.

(8) "Aviation" is defined in ORS 836.005(5).

(9) "Commission" means the Oregon Transportation Commission.

(10) "Collateral" means real or personal property subject to a pledge, lien or security interest, and includes any property included in the definition of collateral in ORS 79.0102(1), and with respect to a Public Body, any real or
personal property as defined in ORS 288.594. ¶

(9) "Commission" means the Oregon Transportation Commission. ¶

(10) "Connect Oregon Fund" means the fund created in ORS 367.080. ¶

(11) "Dedicated Project" means a project listed in HB 2017Chapter 491, 2019 Oregon Laws, Section 71f10. ¶

(12) "Department" means the Director of the Oregon Department of Transportation. ¶

(13) "Oregon Department of Aviation (ODA)" means the Oregon Department of Aviation (ODA) defined in ORS 836.005(7). ¶

(14) "Oregon Business Development Department" means the department defined in ORS 285A.070 doing business as Business Oregon. ¶

(15) "Freight Advisory Committee" means the committee created in ORS 366.212. ¶

(16) "Limited Land Use Decision" has the meaning given in ORS 197.015(12). ¶

(17) "Land Use Decision" has the meaning given in ORS 197.015(10). ¶

(18) "Program" means the Connect Oregon Fund Program established by division 35 rules to administer the Connect Oregon Fund. ¶

(19) "Program Funds" means the money appropriated by the Legislature to the Connect Oregon Fund Program Funds plus the matching funds required under Oregon Administrative Rule 731-035-0070(3)(a)(B) and any additional funds, if applicable. ¶

(20) "Recipient" means an Applicant or Public Body that enters into an Agreement with the Department to receive funds from the Connect Oregon Fund. ¶

(21) "Public Body" is defined in ORS 174.109. ¶

(22) "Public transit Advisory Committee" means a committee appointed by the Director and approved by the Commission to advise the Department on issues, policies and programs related to public transportation in Oregon. ¶

(23) "Rail Advisory Committee" means a committee appointed by the Director and approved by the Commission to advise the Department on issues, policies and programs that affect rail freight and rail passenger facilities and services in Oregon. ¶

(24) "Recipient's Total Project Costs" means the funds received from the Connect Oregon Fund Program Funds plus the matching funds required under Oregon Administrative Rule 731-035-0070(3)(a)(B) and any additional funds, if applicable. ¶

(25) "Receive Federal Grants" means execution of a grant agreement with any agency of the United States. ¶

(26) "Regional Solutions Team" means the teams created in ORS 284.754. ¶

(27) "State Aviation Board" means the board created in ORS 835.102. ¶

(28) "Transportation Project" or "project" is defined in ORS 367.080(1)(b). A Connect Oregon Program Project must involve one or more of the following modes of transportation: c) and means a project or undertaking for rail, marine, rail, public transit or bicycle and pedestrian. The term includes, but is not limited to, a project for capital infrastructure and other and aviation capital infrastructure, including bridges, or a projects that facilitates the transportation of materials, animals, or people. A transportation project does not include costs associated with operating expenses or the purchase of bicycles.
731-035-0030
Application Submission Periods ¶

(1) The Department will announce time periods for submitting applications for funding from the Connect Oregon Fund. ¶
(2) The Department will consider applications for grants for transportation projects only if the Department determines that $50 million or more will be available in the Connect Oregon Fund for the biennium in which the grants are provided. ¶
(a) The Department may use up to one percent of the amounts available within the Connect Oregon Fund to pay administrative costs incurred by the Department in carrying out the provisions of ORS 367.080 to 367.089 ¶
(b) Each time there is a deposit into the Connect Oregon Fund, the department shall transfer seven percent of the moneys deposited into Connect Oregon Fund to the Multimodal Active Transportation Fund as administered by OAR Chapter 731, Division 36. ¶
(3) Project applications will be reviewed for compliance with the requirements in OAR 731-035-0040 and as prescribed in 731-035-0050. ¶
(34) Applications not funded may be resubmitted during subsequent application submission periods announced by the Department.

Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005
Statutes/Other Implemented: ORS 367.080 – 367.086, Ch. 816 OL 2005, Ch. 750 OL 2017, ORS 367.080 – 367.086
Application Review

1. The Department will review applications received to determine whether the application is complete and whether the Applicant and the Transportation Project are eligible for Program Funds.

2. Applicants that meet all of the following criteria are eligible:
   a. The Applicant is a Public Body or Person within the state of Oregon.
   b. The Applicant, if applicable, is current on all state and local taxes, fees and assessments.
   c. The Applicant has sufficient management and financial capacity to complete the Project including, without limitation, the ability to contribute 30 percent of the Recipient's Total Project Cost.
   d. The Applicant is not a railroad owner that operates a railroad wholly within the boundaries of Benton and Linn counties that:
      i. Charges landowners a fee for an easement to cross a railroad that is necessary for the landowner to access the landowner's property; and
      ii. Has imposed or collected fees for such an easement on or after January 1, 2013, which are higher than a Class I railroad, and
      iii. Has imposed or collected fees for exiting businesses on Class I railroads, and 50 percent of the Recipient's Total Project Cost for Class I railroads.

3. Projects that meet all of the following criteria are eligible:
   a. The project is a Transportation Project.
   b. The Project will assist in developing a multimodal transportation system that supports state and local government efforts to attract new businesses to Oregon or that keeps and encourages expansion of existing businesses.
   c. The Project is eligible for funding with lottery bond proceeds under the Oregon Constitution and laws of the State of Oregon.
   d. The Project will not require or rely upon continuing subsidies from the Department for ongoing operations.
   e. The Project is not a public road or other project that is eligible for funding from revenues described in section 3a, Article IX of the Oregon Constitution, i.e. the State Highway Trust Fund.
   f. The Project is feasible, including the estimated cost of the Project, the expected results from the proposed Project for each of the considerations as prescribed in 731-035-0060, the Project schedule, and all applicable and required permits may be obtained within the Project schedule.

4. If an Applicant or Project is not deemed to be ineligible for Program Funds, the Department will, within 15 calendar days of that determination:
   a. Specify the additional information Applicant must provide to establish eligibility;
   b. Where the finding of ineligibility is the result of an incomplete Application, specify the additional information the Applicant must provide to establish eligibility.

5. The Department may deem an application ineligible if the Applicant fails to meet eligibility requirements of subsections (2) and (3) of this rule, or fails to provide requested information in writing by the date required by the Department, or if the application contains false or misleading information.

6. The Director will consider protests of the eligibility determination for the Project. Only the Applicant may protest. Protests must be submitted in writing to the Director within 15 calendar days of the event or action that is being protested. The Director's decision is final.

7. The Department will make all eligible applications available for review, as applicable under OAR 731-035-0060, to the State Aviation Board, the Freight Advisory Committee, the Public Transit Advisory Committee, the Rail Advisory Committee, the Oregon Business Development Department, the Oregon Bicycle and Pedestrian...
Advisory Committee, ACTs and any other transportation stakeholder and advocate entities identified by the Commission to provide recommendations on project funding including the Area Commissions on Transportation.

Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005
Statutes/Other Implemented: ORS 367.080 - 367.086, Ch. 816 OL 2005, Ch. 723, Ch. 765, Ch. 786 OL 2013
AMEND: 731-035-0060
NOTICE FILED DATE: 10/28/2019
RULE SUMMARY: Establishes processes for selecting projects.
CHANGES TO RULE:

731-035-0060
Project Selection ¶

(1) The Commission will select projects to be funded through a grant Agreement with moneys in the Connect Oregon Fund. ¶

(2) Prior to selecting projects to the extent that proposed Projects meet the qualifications established in OAR 731-035-0050 and 731-035-0060, the Commission may consider the distribution of funds among the five ODOT regions. The regions consist of the following counties:

(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties;
(b) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties;
(c) Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties;
(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties; and
(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.

(3) Prior to selecting projects to be funded with moneys in the Connect Oregon Fund, the Commission shall solicit recommendations from:
(a) The State Aviation Board for Aviation Transportation Projects.
(b) The Freight Advisory Committee for freight Transportation Projects.
(c) The Public Transit Advisory Committee for public transit Transportation Projects.
(d) The Rail Advisory Committee for rail Transportation Projects.
(e) The Oregon Business Development Department for marine transportation projects.
(f) The Oregon Bicycle and Pedestrian Advisory Committee.
(g) Regional Solutions Teams, as required in ORS 284.753.

(4) On behalf of the Commission, the Department shall solicit recommendations from the committees and entities in section (2) of this rule before soliciting recommendations from entities in section (3) of this rule. The Department shall provide the recommendations from the committees and entities in section (2) of this rule to the entities in section (3) of this rule concurrently.

(5) The Director, in consultation with committees and entities in section (2) of this rule and the Area Commissions on Transportation, shall appoint a Final Review Committee that includes representatives from each of the committees and entities in section (2) and section (3) of this rule.

(a) Persons are not eligible for Final Review Committee membership if the person:
(A) represents an entity that submitted an application for a Connect Oregon Fund grant that is being considered for funding by the Final Review Committee; or
(B) has a direct financial interest in an application that is being considered for funding by the Final Review Committee.

(b) Following the receipt of recommendations from the entities in section (3) of this rule and prior to selecting projects to be funded with moneys in the Connect Oregon Fund, the Commission shall solicit a Final Recommendation Report from the Final Review Committee. The Department shall provide the Final Review Committee a list of recommendations from all committees and entities in section (2) and section (3) of this rule. The list shall include the evaluation results and recommendations from each of the committees and entities in
sections (2) and (3) of this rule. The Final Review Committee shall provide the Commission its Final Recommendation Report of projects to be funded with moneys in the Connect Oregon Fund listing in priority order eligible Projects together with a reasonable number of alternate Projects in priority order.

c. After the Final Review Committee makes its recommendation to the Commission, the Department shall validate project information that meets program criteria in each project application that will be used in an Agreement.

(A) Project Applicants shall be required to provide any additional information requested by the Department within five business days of the request.

(B) Validation shall include:

(i) Evidence of matching funds available for the project.

(ii) Evidence of site ownership or control including but not limited to evidence of a land sales agreement, option for purchase or governing body resolution of condemnation action.

(iii) Confirmed project delivery schedule that meets Program requirements.

(iv) Other information as identified by the Department needed to enter into an Agreement.

(C) The Department shall identify those projects that do not meet Program criteria prior to the Commission's final action to select projects.

The Department shall determine the organizational guidance for the committees' and entities' processes and protocols.

The committees and entities in sections (2), (3) and (5) of this rule shall follow the organizational guidance determined by the Department under section (6) of this rule.

The Commission will consider all of the following factors in making its decision to award funding for Projects to approve for receipt of funds from the Connect Oregon Fund:

(a) Whether a proposed Project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;

(b) Whether a proposed transportation project results in an economic benefit to this state;

(c) Whether a proposed Project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;

(d) How much;

(d) The proportion of the cost of a proposed Project can be that is borne by the Applicant for the grant contributed from any other source other than the Connect Oregon Fund;

(e) Whether a proposed transportation project is ready for construction, or if the Project does not involve construction, whether the Project is ready for implementation. A project will be considered ready for construction if the Applicant can demonstrate that:

(A) Community engagement/outreach has occurred prior to or at the time of application submission;

(B) Whether a proposed transportation project has a useful life expectancy that offers maximum Project completion can be achieved within 3 years of the award of the grant by submitting a project schedule that includes project stages and dates of major milestones;

(C) Matching funds have been to the state; and secured 30 calendar days before the Commission's decision to award funds;

(D) Whether a Project leverages other investment and public benefits from the state, other government units, or private business.

Site ownership or control is secured 30 calendar days before the Commission's decision to award funds;

(E) Final land use actions necessary to support the proposed project have been approved by the local government 60 calendar days before the Commission's decision to award funds;

(F) Whether the Applicant proposes to contribute more than the minimum 30 percent of the eligible grant Project costs established in OAR 731-035-0070(4) Limited Land Use Decision rendered by the appropriate local government received within six months of execution of Agreement;

(G) To award funds that become available due to loan repayment from a previous Project, completion of an
approved Project with less funds than Securing all permits needed for construction within nine months of execution of an Agreement.

(f) Whether a proposed transportation project has a useful life expectancy that offers maximum benefit to the state; and

(g) Whether amount awarded, earnings on moneys held in the Connect Oregon Fund, withdrawal, termination as prescribed in OAR 731-035-0070(1) or sanction proposed transportation project is located near operations conducted for mining aggregate or processing aggregate as prescribed in 731-035-0080(5) of an approved Project ORS 215.213 (2)(d) or 215.283 (2)(b).

(9) The Commission shall select projects for gran award funds for projects in accordance with ORS 367.084 solely, notwithstanding any other provision of division 35 rules.

Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005
Statutes/Other Implemented: ORS 367.080 - 367.086, Ch. 816 OL 2005, Ch. 750 OL 2017
AMEND: 731-035-0065

NOTICE FILED DATE: 10/28/2019

RULE SUMMARY: Establishing specific processes and requirements for the "Dedicated Projects" that were called out in HB 2017 to be administered from the Connect Oregon program.

CHANGES TO RULE:

731-035-0065

Dedicated Projects
(1) Dedicated Projects and the maximum funds to be distributed to those Dedicated Projects are:
(a) Mid-Willamette Valley Intermodal Facility, $25 million;
(b) Treasure Valley Intermodal Facility, $26 million;
(c) Rail expansion in East Beach Industrial Park at the Port of Morrow, $6.55 million;
(d) Extend Brooks rail siding, $2.6 million.

(2) A Preproposal Submission for Dedicated Projects (1)(a) and (1)(b) must be submitted to ODOT no later than December 15, 2017. The purpose of the Preproposal Submission is to evaluate the adequacy of the qualifications of the Project Sponsor to deliver and operate the Dedicated Project and must include:
(a) Qualifications of Project Sponsor including but not limited to:
(A) Organizational structure of Project Sponsor and its partners associated with project proposal;
(B) Intermodal facility development and related experience of Project Sponsor;
(C) Project Sponsor's capacity to manage an intermodal facility.
(D) Written demonstration of support for the project including:
   (i) Letter of interest from relevant rail entity;
   (ii) Letter(s) of support from local businesses, jurisdictions, or organizations;
(b) General project business case including general location of the facility, rationale for the location, expected types of customers and commodities, and preliminary cost estimate for the facility.

(3) Preproposal Submission for Dedicated Projects (1)(a) and (1)(b) will be reviewed by the Department to determine completeness. Those Preproposal submissions deemed complete by the Department will be reviewed by the Department and Oregon Business Development Department (OBDD) to evaluate the adequacy of the qualifications of the Project Sponsors.
(a) Only those Preproposal Submissions that are found to be qualified by staffs of the Department and OBDD are eligible for funds to develop a Project Plan.
(b) The Department shall enter into an Agreement with each Project Sponsor deemed eligible in subsection (3)(a) that submitted a qualified Preproposal Submission. The Agreement shall identify the amount of the funding available to complete the Project Plan and the terms, expectations and schedule to complete the Project Plan. The Department shall administer each Project Plan Agreement consistent with OAR 731-035-0080 except that OAR 731-035-0080 3(d) and OAR 731-035-0080 4(f) shall not apply.
(c) If the Department receives more than one qualified Preproposal Submission for a single Dedicated Project then the funds to develop the Project Plan for that Dedicated Project will be divided equally among the eligible Project Sponsors. Total funding for development of the Project Plans shall be limited to the amount identified in the Agreement(s). Under no circumstances will the total Plan development costs in the Agreements exceed 5% of the Project funding shown in Section (1), along the Amtrak Cascade line in Oregon south of the City of Portland, $2.6 million.

(4) The Department will enter into an Agreement with Project Sponsors for Dedicated Projects (1)(c) and (1)(d) prior to the Project Sponsor beginning work on the Project Plan. The Agreement shall identify the terms, expectations, schedule and maximum funding available to complete the Project Plan.

(5) Project Sponsors must prepare and submit a Project Plan to the Department no later than the date specified in the agreements referenced in subsection (3)(b) or subsection (4) in order to be considered for funding to develop a Dedicated Project.
(a) A Project Plan for Dedicated Projects (1)(a) and (1)(b) shall include:

(A) Detailed site location selection analysis;

(B) Project scope of work, purpose and need;

(C) Evidence of necessary site ownership or control;

(D) Feasibility Analysis which includes at a minimum:

(i) An assessment of commodities and products likely to be served and their typical market destinations;

(ii) An assessment of the anticipated market area the facility would serve;

(iii) An assessment of the market share in the area that would use the facility;

(iv) An assessment of the anticipated transportation cost savings that use of the proposed facility may generate, such as project savings realized by shipping freight via rail in lieu of trucking;

(v) An assessment of the size and scale of the buildings, equipment, and storage areas, etc. necessary to support operation of the facility;

(vi) Documentation sufficient to perform a financial review of the Project Sponsor’s ability to deliver project, cover project construction costs until reimbursements are made, and ability to support continuous operation of the facility. Documentation necessary to conduct a financial review includes, but not limited to:

(I) Tax filings;

(II) CPA compiled or reviewed financial statements;

(III) Interim financial statements;

(IV) Debt schedule;

(V) Pro formas with assumptions;

(VI) Sources and uses of capital sufficient to fund the project.

(E) An estimate of the design and capital construction costs necessary to build the facility necessary to support its operation;

(F) A Return on Investment Analysis which must include the following:

(i) Anticipated annual revenue from operating the facility;

(ii) Number of jobs anticipated to operate the facility;

(iii) Anticipated indirect job and economic growth in the area supported by facility construction and operation.

(G) Written concurrence from an authorized agent from the relevant rail entity(s) indicating agreement with the Project Plan and Proposal associated with its concurrence;

(H) Identify anticipated and/or potential impacts the proposed project may have to nearby transportation facilities and any anticipated needed transportation investments required to support its successful operation;

(I) Expected useful life of the project;

(J) Project schedule including design and construction, acquisition of necessary permits and other key milestones, including how the Project Sponsor will be able to begin construction no later than January 1, 2020;

(K) Written demonstration of project support from public agencies that must approve the project.

(b) A Project Plan for Dedicated Projects (1)(c) and (1)(d) shall include:

(A) Project scope of work, purpose and need;

(B) Anticipated Project benefits including transportation connections;

(C) Description of area and entities expected to be served by the facility;

(D) Project schedule including design and construction, acquisition of necessary permits and other key milestones, including how the Project Sponsor will be able to begin construction no later than January 1, 2020;

(E) Expected useful life of the project;

(F) An estimate of the design and capital construction costs necessary to build the facility necessary to support its operation;

(G) Written concurrence from an authorized agent from the relevant rail entity(s) indicating agreement with the Project Plan and Proposal associated with its concurrence;

(H) Evidence of necessary site ownership or control.

(64) The Department will reimburse Project Sponsors of Dedicated Projects for the eligible costs for preparing a Project Plan upon receipt of invoices documented in the manner agreed to in the Agreement.
(7) In the event a Project Sponsor wishes to submit a Project Plan for any of the Dedicated Projects listed under subsection (1) without seeking reimbursement, they must submit a written letter to the Department no later than December 15, 2017 of their intent to submit a Project Plan. A Project Sponsor who submits a Project Plan without seeking reimbursement must comply with the requirements of 5(a) or 5(b), as appropriate, as well as any schedule conditions as directed by the Department.¶

(85) The Department will begin the review of Project Plans once all Project Sponsors who have signed Agreements to prepare Project Plans for one of the Dedicated Projects, or who have notified the Department of their intent to submit a Project Plan not eligible for reimbursement have submitted complete Project Plans. Review will begin no later than 60 calendar days from the receipt of the first complete Plan with total review period not to exceed 120 calendar days from the receipt of the last Plan. Project Plans shall be reviewed by the Department in the following manner: ¶

(a) The Department shall review each Project Plan for completeness within 30 calendar days of initial submission. If Department determines Plan materials are not complete, Department may request additional information from Project Sponsor. ¶

(b) Complete Project Plans for projects 1(a) and 1(b) shall be submitted to a neutral third party entity hired by the Department with economic analysis expertise and other relevant experience deemed necessary. Neutral third party entity may request additional information from Project Sponsor within 14 calendar days of neutral party entity(s) acceptance of Plans and Project Sponsor response time will not count towards the 120-day review period. This third party entity shall provide an independent review and evaluation of Project Plans for projects 1(a) and 1(b) and make available to the Department the following: ¶

(A) Summary report on each Project Plan of any key findings, merits, issues, gaps, or concerns they find in the Project Plan; ¶

(B) If more than one Project Plan is received for any individual Dedicated Project, a ranking of those Project Plans; ¶

(C) Recommendation for which, if any, Project Plan(s) the OTC should consider entering into a funding agreement. ¶

(c) The Department shall forward the Project Plan to the Director of OBDD. The Director will rank the Project Plans once all Project Sponsors who have signed Agreements to prepare Project Plans for one of the Dedicated Projects, or who have notified the Department of their intent to submit a Project Plan not eligible for reimbursement have submitted complete Project Plans. Where more than one Project Plan is submitted for a Dedicated Project, the Dedicated Project Review Committee will rank the Plan proposals. ¶

(d) The Department shall forward the Project Plans, neutral third party entity(s) summary report(s) (if applicable), and Dedicated Project Review Committee rankings to the Director of OBDD. The Director of OBDD shall review and evaluate the Project Plans. Where there is more than one Project Plan for an individual Dedicated Project, the Director of OBDD will rank the Project Plans. The Director of OBDD shall provide a letter to the OTC Commission recommending which Project Sponsor the OTC Commission should enter into a funding Agreement, if any. ¶

(ed) The Department shall forward the Project Plans and neutral third party entity(s) summary report(s), rankings, and recommendations (if applicable), and Dedicated Project Review Committee rankings to the Department Director. The Director shall review and evaluate the Project Plans. Where there is more than one Project Plan for an individual Dedicated Project, the Director will rank the Project Plans. The Director shall provide a letter to the OTC Commission recommending which Project Sponsor the OTC Commission should enter into a funding Agreement, if any. ¶

(fg) The Department shall present the Project Plans, products from neutral third party entity(s) (if applicable), recommendations and ranking of Dedicated Project Review Committee, and letters of recommendation from Department and OBDD directors to the Oregon Transportation Commission for consideration. ¶

(96) For Project Plans approved by the Oregon Transportation Commission, the Department shall enter into an Agreement with the Project Sponsor prior to the disbursement of Connect Oregon Funds and shall include change
management expectations related to the Dedicated Project scope, schedule and budget. Entering into this Agreement does not preclude Project Sponsor from complying with any required federal, state and local permits, requirements or approvals. The Project Sponsor will not be reimbursed for any project costs expended prior to the execution of the Agreement. Reimbursement of project costs will occur only when there are sufficient funds available in the Connect Oregon Fund to cover the project costs. Total reimbursable project costs for each Dedicated Project shall not exceed amount included in the Agreement unless Agreement is revised by the Department. At no time will the total reimbursable project costs including Plan reimbursement costs exceed the amount identified in Section 4(1). ¶ 407 The Department shall administer each Dedicated Project consistent with OAR 731-035-0080. Dedicated Projects are expressly exempt from all match requirements in OAR 731-035-0070. Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005 Statutes/Other Implemented: ORS 367.080 - 367.086, Ch. 816 OL 2005, Ch. 750 OL 2017
(1) Once a project is selected by the Commission under 731-035-0060 the amount of monies identified by the Commission makes a decision to award funding for an eligible project under 731-035-0060 the amount of the grant award is considered allocated from the Fund to a Recipient Program Funds. If an Agreement with a Recipient has not been executed within 180 days from such date, the grant is deemed terminated by the Commission's decision to award funding for an eligible project, the allocation is withdrawn, and those funds may be reassigned by the Commission as prescribed in 731-035-0060(9).

(2) To the extent that proposed Projects meet the qualifications established in OAR 731-035-0050 and 731-035-0060, at least 10 percent of the total net proceeds of the lottery bonds will be allocated to each of the five regions as specified in Chapter 624, OL 2011. The regions consist of the following counties:

(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties;
(b) Region two consists of Benton, Clatsop, Columbia, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties;
(c) Region three consists of Coos, Curry, Del Norte, Douglas, Jackson and Josephine Counties;
(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties; and
(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.

Monetary outlays for land purchases occurring more than 10 years before the application submission deadline may be considered as matching funds only if the extension of time further serves the goals and objectives.

(3) Grants will be awarded only when there are sufficient funds available in the Connect Oregon Fund to cover the costs of the grants of the Program and is approved by the Director consistent with OAR 731-035-0080 (B).

(B) The acquisition cost of land for a project may only be counted as 50% of the required project match. Grant awards must not exceed 70 percent of the total eligible Project costs. Land acquisition costs for the same parcel or parcels of land may not be considered project match for more than one awarded Connect Oregon project.

(bD) Applicant matching funds must be provided by the All project match sources must be identified at the time of application in the form of monetary outlay for elements necessary for implementation of the Project, including land, excavation, permits, engineering, payroll, special equipment purchase or rental, and cover at least 30 percent of the construction cost of the project. All match sources must be secured in accordance with the timelines identified in OAR 731-035-0060(8)(e) except for match sources from Federal Aviation Administration grants. Federal Aviation Administrative grants that are used as a match for an eligible project must be awarded within one year of the date of issuance.
Commission decision to award funds to eligible projects.
Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005
Statutes/Other Implemented: ORS 367.080 - 367.086, Ch. 816 OL 2005, Ch. 750 OL 2017
AMEND: 731-035-0080
NOTICE FILED DATE: 10/28/2019
RULE SUMMARY: Establishes the processes by which ODOT will administer a grant once it has been awarded.
CHANGE TO RULE:

731-035-0080
Project Administration ¶

(1) The Department will administer all Project. ¶
(2) The Department and an Applicant grant recipient of an Approved Project will execute an Agreement prior to the disbursement of Program Funds for an Approved Project. The Agreement is effective on the date all required signatures are obtained or at such later date as specified in the Agreement. Applicant will not be reimbursed for any funds expended prior to the execution of the Agreement except for a Director-granted waiver for emergency situations. ¶
(3) The Agreement will contain provisions and requirements, including but not limited to: ¶
   (a) Documentation of the Projected costs for an Approved Project must be submitted to the Department prior to the disbursement of Program Funds. ¶
   (b) Except as identified in subsection (2) of this rule, only Project costs incurred on or after the effective date of the Agreement are eligible for grant funds. Project costs incurred on or after the effective date of the Agreement are not eligible for grant funds. ¶
   (cb) Disbursement of Program Funds for grants and loans will be paid on a reimbursement basis and will not exceed one disbursement per month. The Director or the OTC may make exceptions to the reimbursement basis if the Department finds that the applicant would have difficulty meeting this requirement. ¶
   (dc) Five percent (5%) of funds received from the Connect Oregon Fund will be withheld from each reimbursement request and shall be released to grant recipient as follows: ¶
      (A) Eighty percent (80%) of funds withheld shall be released to grant recipient upon Final Project Acceptance by the Department. ¶
      (B) Twenty percent (20%) of funds withheld shall be released upon receipt and approval by the Department of a report submitted by Recipient that, at a minimum, describes project performance measures and jobs retained or created as a result of the project within 18 months of Final Project Acceptance by the Department. ¶
   (ed) Upon request, a Recipient must provide the Department with a copy of documents, studies, reports and materials developed during the Project, including a written report on the activities or results of the Project and any other information that may be reasonably requested by the Department. ¶
   (fe) Recipients must separately account for all moneys received from the Connect Oregon Fund in Project accounts in accordance with Generally Accepted Accounting Principles. ¶
   (gf) Any Program Funds disbursed but not used for an Approved Project, including eligible project costs, must be returned to the Department. ¶
   (hg) Amendments to Agreements are required to change an Approved Project's cost, scope, objectives or timeframe. ¶
   (ih) Recipients must covenant, represent and agree to use Project funds in a manner that will not adversely affect the tax-exempt status of any bonds issued under the Program. ¶
   (ij) Recipients, if applicable, must covenant, represent and agree to remain current on all state and local taxes, fees and assessments for the useful life of the Project as prescribed in the Agreement. ¶
(4) The Department may invoke sanctions against a Recipient that fails to comply with the requirements governing the Program as specified in this rule, statute or Program guidelines. The Department will not impose sanctions until the Recipient has been notified in writing of such failure to comply with the Program requirements as specified in this Rule and has been given a reasonable time to respond and correct the deficiencies noted. The following circumstances may warrant sanctions: ¶
(a) Work on the Approved Project has not been substantially initiated within six months of the effective date of the Agreement; ¶
(b) State statutory requirements have not been met; ¶
(c) There is a significant deviation from the terms and conditions of the Agreement; or ¶
(d) The Department finds that significant corrective actions are necessary to protect the integrity of the Program Funds for the Approved Project and those corrective actions are not, or will not be, made within a reasonable time. ¶
(e) The Department finds that a railroad operating wholly within Benton and Linn counties has charged landowners an easement fee on or after January 1, 2013 to access a landowner’s property. ¶
(f) Applicant fails to submit a project report as described in OAR 731-035-0080(3)(d)(Be). ¶
(g) The Department finds that a Recipient is not current on all applicable state and local taxes, fees and assessments during the term of the Agreement. ¶
(5) The Department may impose one or more of the following sanctions: ¶
(a) Revoke an existing award. ¶
(b) Withhold unexpended Program Funds. ¶
(c) Require return of unexpended Program Funds or repayment of expended Program Funds. ¶
(d) Bar the Applicant from applying for future assistance. ¶
(e) Other remedies that may be incorporated into a Grant Agreement. ¶
(6) The remedies set forth in this rule are cumulative, are not exclusive, and are in addition to any other rights and remedies provided by law or under the Agreement. ¶
(7) The Director will consider protests of the funding and project administration decisions for the Program. Only the Applicant or Recipient may protest. Protests must be submitted in writing to the Director within 15 days of the event or action that is being protested. The Director’s decision is final. Jurisdiction for review of the Director’s decision is in the circuit court for Marion County pursuant to ORS 183.484. ¶
(8) The Director may waive non-statutory requirements of this Program if it is demonstrated such a waiver would serve to further the goals and objectives of the Program.
Statutory/Other Authority: ORS 184.616, 184.619, 367.082, Ch. 816 OL 2005  
Statutes/Other Implemented: ORS 367.080 - 367.086, Ch. 816 OL 2005, Ch. 750 OL 2017