Match, continued

December 7, 2018
367.082 Grants from Connect Oregon Fund; rules.

(3) The Department of Transportation shall adopt rules specifying the process by which a public body or private entity may apply for a grant under this section and prescribing the terms and conditions of grants. An applicant receiving a grant must provide the following amounts:

(a) For public bodies and private entities, other than Class I railroads, 30 percent of the moneys required for the transportation project.

(b) For Class I railroads, 50 percent of the moneys required for the transportation project. [2005 c.816 §3; 2015 c.707 §2; 2017 c.750 §79]
Statutory framework on eligible match

- Statute is framed around moneys required (costs incurred) required to implement project

- Costs vs. Value for land as match
  - Costs are what the applicant spends on land, design, improvements
  - Value describes the monetary worth of the investment
Policy implications of using appraised value

- Based upon a professional judgment at a given moment in time
  - Fluctuating market could encourage ordering appraisals at the peak

- Costs, that are properly documented, are not disputable in terms of the raw number
  - E.g. copy of deeds, receipt for professional services

- Benefits long term property owners
Legal challenges with allowing value as match

- Department of Justice advised using appraised value **not** consistent with statute

- Costs spent for the land, which comes from moneys spent by the applicant fits in with the framing of the statutory language

- If goal is to put smaller entities on better footing to compete, must find other ways to help with that.
Highlights of draft rule

• Specifies what the applicant can spend moneys on that will count toward the required match

• Limits cost of the land to count toward half of the required match, i.e. within the required 30% match, no more than 15% may come from moneys spent purchasing land

• Other grants/external funding being used as match need to be identified ahead of time and timing set for award prior to OTC final decision
Consideration per the statute (unchanged in HB 2017)

- (e) Whether a proposed transportation project is ready for construction;

- Statute does not specify:
  - How we gauge readiness
  - Minimum/maximum timeline for being ready
    - 3 years from bond sale acts as maximum
  - Property ownership or ability to control
Current statute language

• Consideration
  – Whether a proposed transportation project is ready for construction
Not addressed under current rules

• Ownership/legal rights to the project site is not addressed

• Design of the project is often conceptual => rules do not require permits/approvals

• A project being scored as ready may not get underway and can still be eligible for funding
Draft rule based upon raised issues

- Timelines for:
  - Availability of matching funds
  - Site control/ownership
  - Land use
  - Public engagement/community outreach

- Validation step by Program Administration staff
  - Between Final Review Committee and OTC, ODOT validates information presented within applications
Statewide Significance, finalization

December 7, 2018
Remaining action items from Meeting #3

• Clarified Part 2 projects must show policy and strategy consistency, along with one or more of the following:
  • On adopted list of statewide significant projects
  • Economic analysis/return on investment analysis
  • Quantifiable system improvements (item came from small group discussions)