

Application to the 2020 U.S. DOT BUILD Discretionary Grant Program

I-84/US 395 Southgate Interchange Improvements Project



Project Title:	I-84/US 395 Southgate Interchange Improvements Project
Location:	City of Pendleton, Oregon
Urban/Rural:	Rural
Project Type:	Road – New Capacity
Applicant:	Oregon Department of Transportation
Applicant Type:	State Department of Transportation
BUILD Request:	\$24,600,000
Non-Federal Match:	\$4,000,000 (14%)

Additional materials also available on the project's [supporting materials website](#).

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Project Description

The Oregon Department of Transportation (ODOT), in partnership with the City of Pendleton, is requesting \$24,600,000 in BUILD funds toward a total \$28,600,000 cost to complete the I-84/US 395 Southgate Interchange Improvements Project. This project will reconstruct the Southgate Interchange along Interstate 84 (I-84), transforming it from an obsolete facility that has outlived its service life and design capacities into an asset that will provide for the safe, efficient movement of people and freight in rural eastern Oregon. Completion of this project, which is based on the City and State of Oregon's adopted I-84/US Highway 395 (US 395) Interchange Area Management Plan, will address significant safety concerns for high volume freight and passenger vehicle use along the Interstate, while enabling economic development and access for a rural community divided by the freeway.

Located at the confluence of I-84 and Southgate (US 395) in eastern Oregon, the Exit 209 Southgate Interchange is responsible for safely and efficiently connecting downtown Pendleton and the residential and commercial areas of the City that are split by I-84, in addition to freight traffic transported through each of these corridors. I-84 is the most important east-west freight route in Oregon, and US 395 is a major regional north-south freight route serving eastern Oregon. However, the current proximity of the interchange to the westbound ramp terminals of Exit 209 on I-84, coupled with high traffic flow and topographical challenges, often create vehicle traffic back onto the Interstate and along the highway, preventing traffic from safely flowing between the two routes and local streets through Pendleton.

BUILD funds will be used to complete reconstruction of the Southgate Interchange, which will reduce congestion; ensure safe travel of freight, automobile, pedestrian, and bicycle traffic; and spur economic development throughout the corridor. While this project easily meets rural qualifications under the BUILD grant criteria, and no non-federal match is required, the City of Pendleton and the State of Oregon are each contributing \$2 million for a total of \$4 million in collective matching funds to make this severely needed proposal a reality.

Project Components

The project consists of two major components, which each have independent utility but complement each other to provide the greatest benefit if constructed together. These components include:

Northside Interchange Improvements

Current limitations of the Southgate Interchange create frequent and dangerous backups of freight and passenger traffic onto westbound lanes of I-84. The project will address this issue by reconstructing the interchange on the north side of I-84 between Southgate (US 395) and connecting roadways that provide access to and from highly used westbound lanes of the Interstate. The project will relocate the existing on- and off-ramps from a non-signalized intersection to a new signalized intersection aligning with US 395 and all local streets, widen state and local streets with expanded capacity, implement signalized intersection and capacity upgrades for a local intersection, and provide access control to state highway and local streets. The project also improves safety and facilities for all modes of transportation through the

interchange area by adding a separated bike and pedestrian path, as well as ADA compliant sidewalks, raised cut-through islands, 56 sidewalk ramps and signal push buttons. Bike lanes will also be added to side streets that currently have none.

As a result, traffic will flow freely to and from downtown Pendleton along Southgate (US 395) and arterial roadways, while on- and off-ramp improvements to a signalized regulated intersection will eliminate current safety hazards from congestion backups of freight and passenger vehicles onto the Interstate.



Southgate Interchange viewed from the south during non-peak hours

Altogether, the City of Pendleton and State of Oregon have already completed \$3,402,553 worth of investments to ready this project for prompt completion upon the awarding of BUILD funds. The Interchange Area Management Plan (IAMP) was completed in 2010 at a cost of \$252,553. Both entities have committed \$1,000,000 in funds for preliminary surveying and design work that is currently underway and will enable prompt delivery of the project if awarded. Previously, the State of Oregon completed a \$1,200,000 intermediate improvement with a signalized intersection for the eastbound off-ramp. The State has also invested roughly \$530,500 in survey work for the improvements on the south side of I-84 and interchanges with the US 395 Southgate corridor. Moreover, Federal Highway Administration's (FHWA) Division Office has already determined that the project will fall into the Categorical Exclusion (CE) environmental classification.

Perkins Road Extension

The second component of this project would extend SW Perkins Avenue, an existing local street southeast of the Southgate Interchange. Currently, local residential traffic from the southeast area of Pendleton can only reach daily destinations by traveling through the intersections of the Southgate Interchange. As identified in the [I-84/US 395 Interchange Area Management Plan](#), the extension of Perkins Avenue to Tutuilla Road would provide an alternative, more direct east-west connection for community traffic, helping to avoid and alleviate pressure on the Interchange. This extension will offer a complete, alternate route for the southeast area of Pendleton which

currently can only reach other areas by traveling through the Southgate and Tutuilla Road intersection directly south of the Interchange. The only other east-west connection lies several miles to the south.

An extended SW Perkins Avenue will also provide new access to existing developed areas and approximately 100 acres of undeveloped residential zoned land needed for additional homes. New access to these undeveloped areas will help address challenges to expand the local stock of workforce housing, which is severely limited and a major obstacle to local economic growth in this rural community. This need was exacerbated by a [recent flooding event](#) that damaged or destroyed hundreds of local homes.

While the project will enable the addition of new homes to this undeveloped area, the extension of Perkins Avenue will remove this additional traffic, along with existing residential trips, from Southgate Interchange by offering a more direct route south of the Interchange. Moreover, no additional freight traffic will be generated or diverted through Pendleton's residential areas under the Perkins Avenue extension because Southgate/US 395 will continue to offer the most direct access to the Southgate Interchange and I-84. Instead, freight traffic will flow more seamlessly through the improved infrastructure and reduced local traffic of the Southgate Interchange. Altogether, this component will extend the efficiency and useful life of the Interchange.

Independent Utility and Scalability

Although public benefits would be maximized by completing the entirety of the project, both components have independent utility. ODOT and Pendleton understand that BUILD grant funds are limited. In the event that US DOT has insufficient funds to award the full amount requested, we would be able to move forward with a reduced grant amount by removing the Perkins Avenue extension component from the scope of work. While the Perkins Avenue extension is important for long-term functionality and local residential and economic growth, completion of the interchange improvements would still enable us to achieve the significant benefits outlined throughout the application, including the entirety of benefits captured by our Benefit Cost Analysis.

Rural Benefits

The I-84/US 395 Southgate Interchange Improvements Project is located entirely within the rural community of Pendleton in eastern Oregon. The project will address a significant infrastructure impediment inherited by the community when the federal Interstate was constructed through the middle of the City in the 1960's. While the Interstate provides a vital commercial thoroughfare and enhanced access to the City of Pendleton, it separated the city in half. The local community and use of the Interstate have increased significantly since I-84's initial construction. As a result, the topographical location and design path of the Interstate and interchange has left the City with a significant physical barrier separating residents on the north and south sides of the Interstate from essential services, employment centers, commercial areas, and regular daily destinations.

In addition to increasing access and mobility for residents, this project will enhance the safety of the local community and additional passenger and freight traffic traveling through Pendleton by

addressing dangerous backups resulting from current limitations of the Interstate and Southgate Interchange. Consistent with DOT's ROUTES initiative, the I-84/US 395 Southgate Interchange Improvements Project will significantly improve safety, economic opportunity, and quality of life for residents in Pendleton's rural community and neighboring areas.

Project History

Due to the significant capacity limitations of the Southgate Interchange and the benefits that would result from its reconstruction, the City of Pendleton and ODOT have worked together on preliminary planning and design for this project in preparation of eventual project completion once funding is secured. In 2010, the City and the State of Oregon completed an [Interchange Area Management Plan \(IAMP\)](#) that provided a comprehensive analysis of the current interchange, made recommendations for how to best reconstruct the interchange to fix its current problems and ensure long-term benefits, and outlined "triggers" that would indicate when a reconstruction project should be undertaken. Among these triggers are volume capacity measures for traffic hazards including traffic backing beyond the westbound and eastbound ramp terminals to I-84. Measurements of traffic volume exceeded expectations and all triggers were quickly surpassed, indicating a severe need for reconstruction of the Interchange.

City of Pendleton and ODOT Previously Completed Projects			
Entity	Project Name	Description	Investment
City	SW Perkins Street Project	Federal Aid ready design	\$60,000
ODOT	I-84/US 395 IAMP	Interchange Area Management Plan	\$252,553
ODOT	US395: Pendleton Interchange Ramps	Signal at eastbound off ramp	\$1,200,000
ODOT	I-84/US395 Interchange Improvements	Phase 1 design of intersection w/City/ODOT cost share	\$700,000
City			\$300,000
ODOT	US395: Jct. I-84 to Pendleton SCL	Pavement and ADA improvements	\$890,000
Total City/ODOT Previous Investment into Interchange			\$3,402,553

In addition to the \$4 million local match that Pendleton and ODOT will contribute towards construction of the improvements, these partners have already invested at least \$3,402,553 toward the project. This includes \$1,590,000 for current survey and design work to prepare for north side interchange improvements, preliminary survey work for improvements related to the corridor along Highway 395 (Southgate) on the south side of the Interstate, and federal aid ready bid documents for SW Perkins Avenue. The State also invested \$1,200,000 in an intermediate improvement for a signalized intersection for the eastbound off-ramp, along with a \$252,553 Interchange Area Management Plan. Finally, ODOT has invested \$890,000 in pavement and accessibility improvements within the confluence of US 395 and I-84.

Because of these investments, the preliminary design work for the project will be completed before BUILD funds are awarded, positioning this project for prompt delivery once funding is secured. However, due to the limited budget of the City and the funds available to ODOT Region

5 (rural eastern Oregon), this project will not be completed in the foreseeable future without federal investment.

Project Location

The proposed I-84/US 395 Southgate Interchange Improvements Project will be constructed entirely within the rural community of Pendleton, Oregon. With a population of 16,810, the City of Pendleton is the county seat of Umatilla County in eastern Oregon. Including the Confederated Tribes of the Umatilla Indian Reservation adjacent to Pendleton, Umatilla County is home to approximately 80,500 people spread throughout a vast land mass over 3,200 square miles. The area economy is primarily based on irrigated high-value agriculture.



As a small, rural community with limited funding resources, the City of Pendleton has struggled to rebound and recoup opportunities lost during the Great Recession. Between 2012 and 2016, the County's employment total grew by 2.3% while the State as a whole grew by 12.0%. The City of Pendleton and Umatilla County face major challenges in increasing median wages for working families. In 2016, the average covered wage in Umatilla County, which includes all jobs in the private sector, government, and agricultural jobs, was \$37,457 or 76% of the statewide average. Similarly, the poverty rate in Umatilla County is 18% for all persons (ACS 2016 5-year estimates). Furthermore, the County's annual jobless rate is typically in the middle-third of Oregon counties, averaging 4.7% in 2017.

Moreover, the City has experienced two catastrophic flooding events in the last 12 months that have had an enormous impact on the local community. The most recent flooding event of the Umatilla River in February of 2020 received a [Presidential Major Disaster Declaration](#). Hundreds of homes were damaged or destroyed and many residents have been unable to return to work due to the impact to local businesses. Nine businesses in the area suffered significant losses, two of which are larger manufacturers employing a total of 360 people. Smaller affected businesses, such as an auto repair shop, an agricultural supplier, and a veterinary clinic, lacked flood insurance since their facilities were outside the 100-year flood plain.

These challenges have been made even worse by the COVID-19 pandemic, which has demanded significant unexpected costs and resources from the City of Pendleton with further decline in the local economy. Local businesses have experienced major losses with many on the verge of permanent closure. As a rural community, where every job and dollar spent has a disproportionately large impact on the economy, slowdowns and closures of even the smallest businesses have significant impacts that are felt throughout the economy. The investment of BUILD grant funds will have significant impact in reversing these effects and supporting immediate and long-term economic wellbeing of the community.

The City of Pendleton is located directly along U.S. Interstate 84, Oregon’s most important east-west freight corridor. The Southgate Interchange connects the Interstate with US 395, a statewide highway and freight route serving vast rural areas south of Pendleton. While these two highways provide beneficial traffic and access to and from Pendleton, the 1960s-era design represents a major logistical and economic obstacle for the City’s growth. The Southgate Interchange is located at the center of Pendleton, and is the critical connection for the north and south sides of the community that are divided by the presence of the freeway.

US 395 (Southgate) approaches the City from the south and becomes a five-lane facility as it travels through the I-84 interchange towards the downtown center of the City. The existing design forces traffic of Southgate through a narrow valley underneath the Interstate, which severely limits capacity and options for diverting traffic. On the north side of the Interstate, Southgate transitions into a couplet facility comprising SW Frazer and SW Emigrant Avenues. Much of the traffic flow in this area is focused on the SW Emigrant Avenue/SW 20th Street intersection, with traffic coming to and from the couplet of SW Court Avenue and SW Dorion Avenue and US 30 (Westgate Avenue). This couplet provides access to downtown Pendleton including the majority of common destinations for employment and services in the community.

Southgate Interchange Improvements on north side of Interstate 84



**All maps are also available as attachments to this application as “Maps” or on the [additional materials website](#)*

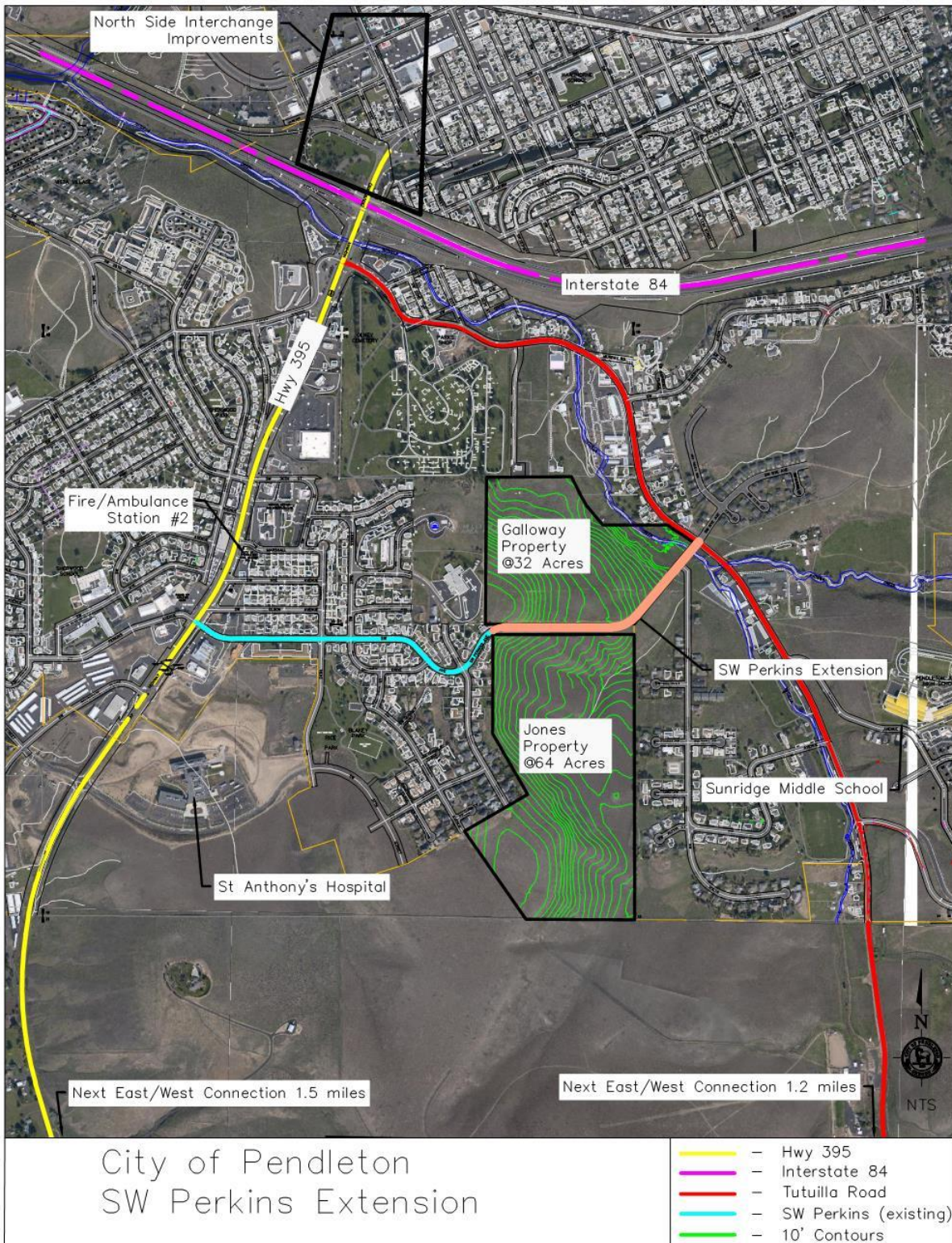
These destinations include the Eastern Oregon Regional Airport, an FAA-designated Essential Air Service airport owned and operated by the City that serves the local community and larger rural eastern Oregon region with commercial air service to Portland, Oregon. The airport is also the location of the Pendleton unmanned aircraft systems (UAS) Test Range, an FAA-designated site that continues to grow rapidly with the attraction of the nation's leading UAS technology innovators, including Yamaha, PAE-ISR, and Airbus subsidiary A³ among others. Blue Mountain Community College is also located nearby, the area's public higher education institution with a total enrollment of 1,880 students.

Additionally, the north side of Pendleton is home to the Pendleton Round-Up Stadium, which hosts one of the largest annual outdoor rodeos in North America each year, and leading employers like Keystone RV, Pendleton Woolen Mills, and the Eastern Oregon Correctional Institution. Several of these employers, like Keystone RV, have stated their desire to hire additional employees but lack the supply due to the need for additional residential housing, a key benefit of the proposed project. Before the recent flooding events and COVID-19 pandemic, the Pendleton Economic Development's latest analysis found at least 386 available positions that could not be filled due to the lack of housing available for potential new employees.

On the south side of the Interstate, Southgate Avenue provides connections to residential and commercial areas, before continuing on as US 395 toward communities in the central and southern areas of the state including the cities of John Day and Burns. This highway is a vital freight corridor for the transportation of timber, lumber products, agricultural goods, and additional freight shipments to and from the region. Before exiting the City of Pendleton, Southgate provides access to St. Anthony Hospital, a federally designated critical access hospital that services its rural region of northeast Oregon as the only hospital within a 28-mile radius. The hospital is located south of the Interstate directly on Southgate near other medical facilities such as Eastern Oregon Orthopedic, Pendleton Primary Care Clinic, and Interpath Laboratory which provides medical lab testing for medical centers all throughout Oregon, Washington, and Idaho.

SW Perkins Avenue connects to Southgate south of the primary interchange, providing a connection to residential areas to the southeast. Approximately 100 acres of unused, residential-zoned acreage lie along the proposed route. As shown below in orange, the proposed project would extend SW Perkins Avenue east to connect to Tutuilla Road, which flows through Southgate Interchange and is the only connection for southeast Pendleton areas west of Southgate/US 395. This additional east-west connection would alleviate pressure on Southgate Interchange by providing the southeast are of Pendleton a more direct route south of the interchange, connecting businesses, homes, a Fire/Ambulance Station, St. Anthony's Hospital, the middle school, and sorely needed residential zoned areas within Pendleton that cannot be developed without such an access road.

Without the Perkins Avenue extension, local traffic will continue to funnel north through the interchange because the only other east-west connection lies several miles to the south. No additional freight traffic would be generated along Perkins Avenue since it would serve only local destinations, and steep topographical conditions make it a nonsensical freight route (see contour lines below). Instead, freight trucks would continue traveling along Southgate/US 395 and through the interchange with greater efficiency from the reduction in local traffic.



Overall, the project will support access to a federally designated Opportunity Zone on the east side of Pendleton. This area, census tract 41059940000, has a poverty rate of 22% and unemployment rate of 9.9%, which are both well above the national average (pre-COVID-19). I-84 provides direct access to this area with much of this traffic utilizing the Southgate Interchange when traveling from areas in the rest of the City.

Grant Funds, Source and Use of all Project Funding

ODOT and the City of Pendleton are requesting \$24.6 million in BUILD grant funding. The total cost of the I-84/US 395 Southgate Interchange Improvements Project is \$28.6 million. While this project easily meets rural qualifications under the BUILD grant criteria, and no non-federal match is required, the City of Pendleton and ODOT are each contributing \$2 million in non-federal matching funds to make this severely needed proposal a reality. The City of Pendleton is obligating funding from its existing Street Fund, which is primarily funded from fuel tax shared revenues. ODOT matching funds are derived from non-federal dollars from the state's highway fund. A resolution from the City of Pendleton council unanimously approving this funding ("Pendleton Financial Commitment") has been submitted as part of this application. A letter from ODOT is also included committing its matching share of \$2 million towards the project upon the awarding of BUILD funds ("ODOT Financial Commitment"). Both are included in the [supporting documents website](#).

In addition to the \$4 million local match, the City and State of Oregon have already invested \$3,402,553 into the project (as outlined on Page 4) to prepare it for prompt completion once funded. However, due to the limited budget of the City and the funds appropriated to ODOT Region 5 (rural eastern Oregon), this project will not be completed without federal investment.

While a \$24,600,000 grant amount is needed to complete the project as a whole, ODOT and Pendleton understand that BUILD grant funds are limited. As mentioned earlier in the narrative, in the event that DOT has insufficient funds to award the full amount requested, ODOT and Pendleton could move forward with a reduced grant amount by removing the Perkins Avenue extension component from the scope of work. While the Perkins Avenue extension is important for long-term functionality and local residential and economic growth, completion of the interchange improvement component would still enable us achieve the significant benefits outlined throughout the application, including the entirety of benefits captured by our Benefit Cost Analysis.

With the extensive preliminary design work that has been completed over that last year, ODOT has thoroughly developed a comprehensive budget for this project. Funding for the project is outlined in the budgets below:

Funding Source	Total (\$)	Percent of Total
City of Pendleton	\$2,000,000	7%
Oregon Department of Transportation	\$2,000,000	7%
Subtotal - Non-Federal Matching Funds	\$4,000,000	14%
Federal BUILD Grant Funds	\$24,600,000	86%
Other Federal Funds	\$0	0%
Subtotal - Federal Funds	\$24,600,000	86%
Total	\$28,600,000	100%

Project Budget by Component and Funding Share							
	Total Cost	BUILD Funds		Pendleton		ODOT	
	\$	\$	%	\$	%	\$	%
Interchange Improvements	\$27,500,000	\$23,653,846	86%	\$1,923,077	7%	\$1,923,077	7%
Perkins Avenue Extension	\$1,100,000	\$946,154	86%	\$76,923	7%	\$76,923	7%
Total Project	\$28,600,000	\$24,600,000	86%	\$2,000,000	7%	\$2,000,000	7%

Project Budget by Phase of Work and Funding Share					
Component	Total Cost	BUILD Funds		Non-Federal Funds	
		Dollars	%	Dollars	%
Engineering	\$1,400,000.00	\$1,206,896.00	86%	\$ 193,104.00	14%
Utilities/ROW	\$7,900,000.00	\$6,794,000.00	86%	\$1,106,000.00	14%
Construction	\$19,300,000.00	\$16,598,000.00	86%	\$2,702,000.00	14%
Roadway	\$12,077,969.00	\$10,387,053.00	86%	\$1,690,915.00	14%
Structures	\$600,000.00	\$516,000.00	86%	\$84,000.00	14%
Earthwork	\$1,100,000.00	\$946,000.00	86%	\$154,000.00	14%
Const. Engin.	\$1,522,031.00	\$1,308,947.00	86%	\$213,084.00	14%
Contingencies	\$4,000,000.00	\$3,440,000.00	86%	\$560,000.00	14%
Total	\$28,600,000.00	\$24,600,000.00	86%	\$4,000,000.00	14%

Selection Criteria

Safety

The I-84/US 395 Southgate Interchange Improvements Project will address severe safety hazards of a failing interchange in a rural area of eastern Oregon. Consistent with DOT's ROUTES initiative, this project will improve rural transportation safety by providing the infrastructure enhancements needed to reduce the number and likelihood of dangerous collisions.

Over the last seven years for which data is available (2011-2017), there have been 306 crashes, including 129 injury crashes, in the area of the proposed interchanges improvements. Completion of the project will help ensure safe travel for residents of Pendleton's rural community and thousands of freight and passenger vehicles traveling through the community along Interstate 84 and US 395 by eliminating an estimated 31 percent of all collisions in the area.

Southgate currently facilitates the daily movement of over 29,500 vehicles through one of eastern Oregon's largest rural communities, while I-84 facilitates 17,600 daily vehicles along this stretch according to the [Oregon Department of Transportation's 2018 Transportation Volume Tables](#). Among the vehicles on these corridors, ODOT estimates that 49 percent are freight vehicles. As a major federal highway, both passenger and freight vehicles on I-84 are traveling at speeds of 65 miles per hour when they encounter traffic backflows from vehicles trying to utilize the off-ramps on both the westbound and eastbound lanes. This creates a major safety hazard which stems directly from the current construction of the Southgate Interchange.

On the north side of the Interchange, westbound traffic exiting the Interstate faces a short offramp with a drastic 180-degree downhill rightward curve before meeting the intersection of Southgate and two connecting roads to downtown Pendleton - Emigrant Avenue and Frazer Avenue. This short off ramp length requires vehicles to slow drastically from Interstate speeds of 65 miles per hour to 25 miles per hour and before making a full stop as they approach frequent backups of the intersection. As a result, exiting traffic often backs up onto the Interstate, requiring vehicles to stop even sooner. This creates dangerous congestion hazards that regularly place freight trucks, outside passenger vehicles, and area residents in peril.

The proposed project would provide an extension of the off-ramp with a gradual turn radius for westbound traffic exiting the Interstate, providing vehicles with greater time to slow down and a less drastic curve as they approach the intersection with Southgate and other connecting roads. Furthermore, the project would widen Southgate and improve two intersections directly north along Southgate to better facilitate traffic along this north-south corridor. This will alleviate pressure on the Interchange to help off-ramp traffic flow seamlessly into Pendleton or Southgate, and prevent future backups onto the highway. It is estimated this will provide the infrastructure needed to facilitate the traffic load of the Interchange for the next 40 years.

Completion of the project will also widen Southgate to better facilitate north-south traffic, allowing westbound on and off-ramp traffic to flow more continuously into Southgate. This will enhance safety for Interstate traffic, by reducing congestion and lessening off-ramp traffic backups onto the freeway. Intersection signals will be equipped with traffic cameras to regulate traffic most efficiently, eliminating dangerous backflows and congestion throughout the intersections with Southgate.

Both freight corridors, especially I-84, facilitate the movement of hazardous materials. Substances transported along I-84 include motor fuel, diesel fuel, hydrochloric acid, cleaning compounds, butane, and liquified gases. US 395 also facilitates the movements of fertilizer (ammonia) and phosphoric acid among others. The danger of incidents involving these materials has been realized by the region with several local incidents in recent years including an [accident in 2017 near Pendleton](#) that resulted in a fire after the truck's load of cleaning compound, food flavor, and Bic lighters was ignited.

The proposed project will help prevent incidents involving hazardous materials by making improved safety enhancements along both I-84 and US 395. The likelihood of one of these

incidents occurring within Pendleton will be greatly reduced by avoiding traffic backups onto the Interstate and reducing overall congestion.

Additionally, the project will enhance safety for pedestrian and bicycles traveling along Southgate. As described in the Pendleton Police Department's attached letter of support, the morning and afternoon/evening commute brings the area to a virtual standstill, causing frustrated drivers to make unlawful and/or dangerous maneuvers. This creates unpredictable hazards for other vehicles, and pedestrians and bicyclists traveling through crosswalks. Completion of the project will create controlled crossings with bike lanes and rectangular rapid flash beacons (RRFB) to help ensure the safety of pedestrians, bicyclists, and vehicles.

Finally, the extension of Perkins Avenue will alleviate traffic pressure on the confluence of US 395 and I-84 by offering an alternative east-west connection south of the interchange. Doing so will reduce the number of vehicles traveling through highly congested areas where the risk of accidents is significantly higher. Traffic on the newly extended Perkins Avenue will consist almost exclusively of local passenger traffic since it will only serve local destinations. Freight traffic will continue to use Southgate to access I-84 and US 395. As a result, the interaction between local passenger traffic and freight traffic will be reduced, increasing safety in both the southeastern residential areas of Pendleton, and the Southgate Interchange.

State of Good Repair

The I-84/US 395 Southgate Interchange Improvements Project will provide substantial contributions towards a state of good repair by addressing deficiencies of the current interchange with a transportation solution that improves the flow of passenger and freight traffic to alleviate pressure on the entire area transportation system. As a result, the project will enhance the movement of freight, commercial goods, and people through a rural area, while minimizing long-term costs on existing infrastructure. Completion of the proposed project is estimated to provide a safe and efficient transportation solution for this interchange for the next 40 years.

Aligns with Regional Plans to Address Vulnerabilities and Maintain a State of Good Repair

In recognition that reconstruction of the Southgate Interchange is the most significant transportation need within the Pendleton region, the Pendleton City Council adopted the [I-84/US 395 Interchange Area Management Plan](#) in 2010. This plan specified the need for reconstructing the Interchange once traffic volume triggers were met, which have now been far surpassed. Furthermore, the Oregon Transportation Commission has amended the [Oregon STIP](#) (page 609) to include this planning and design for this project.

The project is also included as an identified need in the most recent [Oregon Freight Plan](#), which states on page I-39 that "the U.S. 395/I-84 Interchange ramps no longer meet intersection function criteria. Traffic backs up the ramps to the freeway regularly. This affects the primary entrance to Pendleton's commercial district." Completion of the project would address this recognized vulnerability by providing long-term efficiency for the movement of freight and local travel.

Moreover, the extension of SW Perkins Avenue, an existing local street southeast of the Southgate Interchange, would provide a second southerly connection from Southgate to Tutuilla Road. As identified in the [I-84/US 395 Interchange Area Management Plan](#), this would provide an alternative east-west connection for community traffic to avoid and alleviate pressure on the intersection near the Interchange. Removing this additional pressure on the interchange will further support the long-term functionality and useful life of the investment into the interchange. In addition, with traffic on the newly extended Perkins Avenue consisting almost exclusively of local passenger traffic since it will only serve local destinations, this new road extension will be fully equipped to meet long-term use by local residents along this new east-west connection.

Ensures Future Transportation Efficiency by Addressing Current Needs

The Southgate Interchange is currently failing to provide a safe, efficient means for freight and passenger vehicle transportation between I-84, US 395, and area traffic from roads that are forced to funnel through the interchange to access the opposite sides of Pendleton separated by the Interstate. Without completion of this project, problems for freight and area traffic will only worsen.

As a result of inadequate infrastructure on the north side of I-84, freight and passenger vehicles exiting the westbound off-ramp are frequently backed up onto the Interstate, while vehicles seeking to enter westbound lanes of I-84 are significantly delayed by interchange congestion. Among these vehicles are logging, agricultural produce, and other freight vehicles arriving on US 395 from areas south of Pendleton. Furthermore, local vehicles need to pass through Southgate under the Interstate to access residential and commercial areas to the south, as well as essential services and employers north of the Interstate. All these vehicles face significant delays due to failures of the interchange, which prevents the transportation network from operating efficiently. Residents routinely travel significant distances to avoid the Interchange, which places even more burden on residential streets. Without an extension of Perkins Avenue to provide an alternative east-west connection for area traffic, local vehicles will be forced to continue using this heavily congested interchange, further contributing to its failures.

These issues were confirmed by an operational analysis conducted by ODOT, which found severe failures within the interchange on and off-ramps as well as adjacent intersections. At the 20th Street and SE Court Avenue intersection that would be improved through this project, the analysis showed a current Volume/Capacity (V/C) ratio of 1.46. With any score over 1.0 showing exceeded capacity, this intersection has a current Level of Service grade of F because of its inability to meet current capacity demands. Moreover, the V/C ratio is projected to reach 2.04 within 20 years, showing even worse failures if the intersection is not improved. The analysis showed that the V/C ratio would be dramatically reduced to a 0.62 under the requested improvements, which would satisfy long-term demands for this facility.

Appropriately Capitalized and Designed for Long-Term Maintenance Cost Optimization

The City of Pendleton and ODOT have coordinated to ensure that all additional funding needed to complete this project has been secured and appropriately capitalized for responsible, long-term investment into the expanded infrastructure.

The City of Pendleton and ODOT have thoroughly analyzed the long-term needs for operations and maintenance. Completion of the proposed project will renew lifecycle costs, providing savings from reduced maintenance needs of the Interchange. The City of Pendleton and ODOT are fully prepared to maintain any additional maintenance costs under their jurisdiction through their respective revenue streams.

The City of Pendleton maintains its jurisdictional roads through a variety of sources including a street utility maintenance fee, state gas tax allocation, and federal gas tax allocation. Pendleton's property tax income is allocated to cover approximately 60 percent of the total cost of City Police and Fire/Ambulance services. The City is currently developing a Street Utility Master Plan to better identify the true cost of maintenance, deficiency in funding, and alternatives to create long-term funding.

Furthermore, ODOT will fund maintenance of the project under its jurisdiction by utilizing state gas tax dollars. ODOT uses data-driven information to make decisions about maintenance. For pavement conditions, ODOT uses a Pavement Management Plan based on current and projected conditions to prioritize and justify expenditures on the system. Safety projects are prioritized based on traffic volumes and accident history.

Economic Competitiveness

The I-84/US 395 Southgate Interchange Improvements Project will support the long-term economic competitiveness of Pendleton, the greater rural eastern Oregon region, and the United States by enhancing the efficiency and safety of freight transportation along a primary U.S. Interstate and a heavily used state highway, while improving local transportation for the access and creation of jobs within Pendleton's rural community.

Enhanced Rural Employment Access

When the federal highway system was constructed in the 1960's, I-84 was constructed directly through the center of Pendleton's rural community. While the Interstate facilitated access to and from Pendleton for its residents, visitors, and freight shipments, the highway's construction created major logistical challenges for Pendleton's economic growth. Many of Pendleton's major employers are located north of the Interstate and separated from large residential areas to the south. Traveling to employment opportunities requires most Pendleton residents to commute through the Southgate Interchange area or travel significant distances to the east or west of the interchange to avoid its congestion delays. The existing interchange design funnels traffic through a narrow underpass below a bridge supporting the Interstate, resulting in severe congestion, and creating significant hurdles between residents and their access to employment.

The homes of Pendleton's 16,810 resident are fairly evenly divided between the north and south side of I-84, with employers dispersed on either side. On the north side, leading employers provide hundreds of jobs, such as Keystone RV (730), Eastern Oregon Correctional Institute (424) jobs, and Blue Mountain Community College (170), in addition to the primary commercial district in Pendleton's downtown core with smaller employers. Meanwhile, major employers on the south side include St. Anthony Hospital (325), Interpath Laboratory (180), and Pendleton School District (129). The primary route for employees who live and work on opposite sides of I-84 is the

Southgate Interchange, where commuters encounter large bottlenecks. Additionally, the Confederated Tribes of the Umatilla Indian Reservation and the Wildhorse Casino employs over 1,500 individuals east of Pendleton, which requires travel along the Interstate, and is usually accessed through the Southgate Interchange.

Furthermore, U.S. Census Data shows that at least 3,852 jobs in Pendleton are held by individuals who live outside the City limits and conversely, at least 3,041 Pendleton residents travel outside the City for employment. These commutes almost always require accessing the Interstate, if not direct travel through the Southgate Interchange. According to [ODOT's 2018 Transportation Volume Tables](#), Southgate has an Annual Average Daily Traffic (AADT) volume of 29,500 vehicles, while 17,600 vehicles travel along I-84 around the Interchange. Of these vehicles, many are individuals traveling to and from employment.



Inside/Outside City Employment Travel per US Census data

Construction of the proposed project will improve traffic flow to provide a seamless connection for area residents to employment opportunities on the north and south side of the City. Additionally, vehicle backups onto the Interstate from off-ramp traffic will be eliminated, removing a hazard and delay for vehicles traveling along the Interstate. ODOT's Benefit Cost Analysis for this application found there will be an estimated savings of \$2,372,969 from increased efficiency in the first year of the project, and another \$31,922,011 in savings during the next 18 years of the improvements.

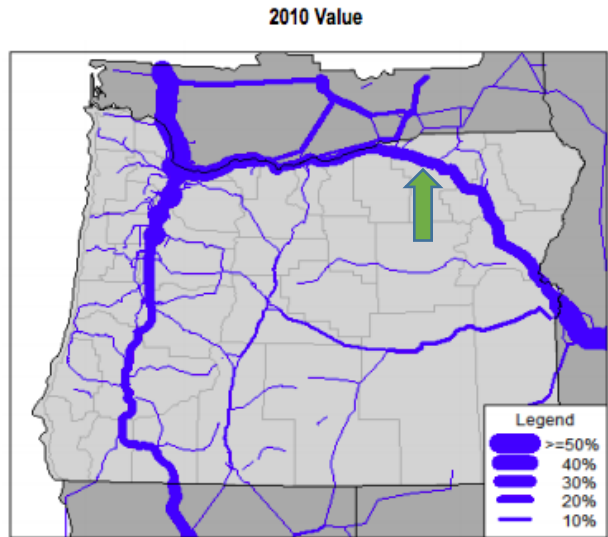
Furthermore, this project will support the access to a federally designated Opportunity Zone on the east side of Pendleton. This area, census tract 41059940000, has a poverty rate of 22% and unemployment rate of 9.9%, which are both well above the national average. I-84 provides direct access to this area with much of this traffic utilizing the Southgate Interchange when traveling from other areas of the City.

Improving Long-Term Efficiency for the Movement of Workers and Goods

Among the nearly 18,000 vehicles traveling along I-84 through Pendleton each day, ODOT estimates that 49% are freight vehicles. The [Oregon Freight Plan](#) also found that I-84 facilitates half of the industry output freight movement in the entire State. However, the current

configuration of the Interchange creates dangerous congestion backups that can delay trucks or cause collisions accompanied by extensive delays and increased shipment costs.

Furthermore, traffic on US 395 enters Pendleton from rural communities to the south in Umatilla County and Grant County, Oregon. The highway is commonly used for freight shipments delivering timber, finalized lumber products from mills, and delivery of agricultural produce. Trucks usually travel north towards Pendleton to enter I-84 through the Southgate Interchange, only to encounter significant delays from congestion at the Interchange. Completion of the project will reduce fuel and labor costs for freight trucks by eliminating these delays. Once constructed, the I-84/US 395 Southgate Interchange Improvements Project will enable long-term efficiency needed along I-84 and US 395 for the next 40 years.



Freight Value Moved Along Oregon Corridors, Pendleton noted by green arrow

Long-Term Economic Growth and Job Creation

Leading employers within Pendleton have stated a desire to expand the number of employees only to find an insufficient labor force within Pendleton due to a lack of residential opportunities. Pendleton currently has an occupancy rate of over 99%, with extremely limited opportunities for development of new homes and rental properties. Moreover, this problem was worsened by recent flooding events that damaged or destroyed hundreds of local houses.

Open Jobs in Pendleton Needing Employees	
Wildhorse Resort & Casino	15
Keystone RV Company	80
CTUIR	13
EOCI (State Prison)	7
St. Anthony's Hospital	56
Cayuse Technologies	150
Hill Meat Company	20
Newly Weds Foods	8
Umatilla County	7
Interpath Labs	9
US Forest Service	10
Pendleton Woolen Mills	6
MTSI/A3 (Aerospace)	4
TOTAL OPEN JOBS	386

In a 2018 survey of public and private employees in the area, Pendleton Economic Development found at least 386 vacant positions that would be filled if an additional labor force was available. Pendleton has continually found a lack of open housing to be the primary impediment to supplying this labor for employers.

The City of Pendleton is also home to Eastern Oregon Regional Airport's Pendleton UAS Range, one of just six Unmanned Aerial System (UAS) sites established by the FAA. Outstanding weather and 14,000 square miles of diverse rural testing environments makes the range uniquely suited for UAS development by cutting edge drone manufactures. Combined with significant local investment and an outstanding track record, the range has secured numerous contracts from high-profile UAS companies such as Airbus subsidiary A^3 and PAE-ISR.

Moreover, the airport was recently awarded \$16,881,672 in FAA funding through the CARES Act that will be used for additional maintenance and expansion of the airport, including additional hangers for the UAS Range. With new capacity to support additional companies, this investment will bring additional private sector jobs, many of which are high-wage, high-skill jobs that pay well-above the local median salary. However, as with other industries in the community, growth of business activity at the range is limited by the local housing stock. Without additional workforce housing, Pendleton is hamstrung to provide the labor supply needed to capitalize on this opportunity for local economic development.

The proposed extension of Perkins Avenue will provide access to approximately 100 acres of undeveloped residentially zoned land southeast of the Interchange, spurring additional development and economic growth. In addition to easing the traffic volume through Southgate Interchange by providing an alternative east-west connection to the south, this road extension would provide the street access required for a residential development. As a result, the City is confident that this development would provide the labor force needed for small, medium, and large employers in the area.

Moreover, two catastrophic flooding events experienced by the City in the past 12 months damaged or destroyed hundreds of houses, made an enormous economic impact on the local community, and warranted a [Presidential Major Disaster Declaration](#). The floods impacted businesses throughout the city, and eliminated hundreds of accompanying jobs. Nine businesses suffered significant losses, two of which are larger manufacturers employing a total of 360 people. The COVID-19 pandemic has further worsened the economic challenges already impacting the community. The investment of federal BUILD funds will help address these economic challenges by increasing commercial activity and opening new areas for residential and commercial development outside of the floodplain.

Enhancing Freight Shipment for Regional and National Economic Competitiveness

The Southgate Interchange provides the connection between US 395 and I-84, supporting both the movement of the national freight network and the regional economy of eastern Oregon. The I-84/US 395 Southgate Interchange Improvements Project will address the congestion where these two freight corridors meet to benefit not only Pendleton, but also industries in neighboring Grant and Harney Counties, and improve national freight mobility.

I-84 is a major freight corridor that facilitates the transportation of at least 8,000 trucks through the Pendleton area each day according to ODOT traffic tables. Freight trucks on the Interstate carry U.S. export products west towards Pacific coast ports, while goods are carried eastbound along the Interstate towards Idaho, Utah, and the rest of the country. US 395 (Southgate) is a primary state freight highway for the transportation of lumber, agricultural products, and additional goods to and from the rural areas to the south of Pendleton. The community of Pendleton and those in the surrounding eastern Oregon region are heavily reliant on natural resource industries that receive raw materials and ship final product on US 395. This freight traffic utilizes the Southgate Interchange to reach their final market destination.

Improvements to this interchange are especially important considering demands for increased freight shipments through the Interchange from US 395 to I-84 with more freeway length trucks. Various entities like the remaining lumber mill in the City of John Day (approximately 130 miles south of Pendleton) have sought the ability to ship wood chips on standard freeway length commercial vehicles (WB67 – 75-ft length with a 53-ft trailer) to remain competitive in their markets (see “Letters of Support” – Farm Supply Distributors). While truck traffic on US 395 between Pendleton and John Day is currently length restricted due to roadway geometry to ensure trucks can safely navigate the tight curves, ODOT recently created an intelligent transportation system that allows a limited number of freeway length trucks on the route. Combined with recent enhancement to the regional log supply, this improvement allowed the mill to remain in operation, preserving family wage jobs in the region.

With initial installation of the intelligent transportation system, ODOT was able to safely pass 10 trucks per week. As demand has grown for longer length vehicles, the number was increased to 20 per week. Recently, requests have been made for 20 per day, illustrating the growth in the size and volume of freight on the southern end of the US 395 corridor. ODOT has allocated \$500,000 in the 2018-2021 STIP to start design on a project to fix the roadway geometry for the most challenging section of this road. When that project is funded for construction, it will open the corridor to freeway length vehicles and improve the economic competitiveness of those counties with more efficient transportation of goods. However, these trucks will be traveling through the Southgate Interchange, which is already failing to operate sufficiently.

The improvement of this interchange will enhance the efficiency of the movement of freight on both I-84 and US 395 by reducing delays as well as safety hazards that frequently result in costly collisions. As a result, this project will provide support both the local and broader U.S. economy by enhancing the movement of freight on the regional highway system. While the Oregon Freight Advisory Committee (OFAC) had previously provided a letter of support for this same project in ODOT’s application last round, OFAC is currently unable to meet and approve a new letter due to the COVID-19 pandemic. The 2019 letter is included with this application in “letters of support.”

Environmental Sustainability

Reductions in Energy Use and Emissions

Completion of the project will result in greater energy efficiency and reduced emissions of the various freight and passenger uses of the Interchange. Almost no new traffic will be generated by this project. Instead, by creating more efficient routes and relieving significant congestion, the project will reduce fuel consumption and its resulting harmful emissions such as VOCs, NOx, CO2, and particulate matter.

US Highway 395 is a state highway that is heavily used by trucks carrying large freight hauls including timber, wood products, and agricultural products to and from sites south of Pendleton. In addition to passenger vehicles, Southgate supports an Annual Average Daily Traffic volume of 29,500 vehicles according to [ODOT’s 2018 Transportation Volume Tables](#). Once US 395 approaches the City of Pendleton from the south, it enters the City as Southgate where vehicles

typically find extensive traffic delays due to the failures of the Southgate Interchange with I-84. These delays lead to unnecessary fuel consumption and emissions for vehicles.

Without reconstruction of the Interchange, exacerbated delays will eventually force trucks traveling northbound on US 395 to find alternative means of accessing Interstate 84, which would draw them several miles east or west of their most efficient route. These alternative routes would result in additional fuel consumption and additional emissions from current inefficiencies. Reconstruction of the Interchange would provide a reliable access point to the Interstate for these trucks to use for the next 40 years.



Log Truck Like Those Frequently Seen on US 395

Due to Interchange capacity challenges, residents often travel out of their way to avoid the congestion of Southgate Interchange when accessing I-84 or the other side of the City. This requires altering their route further east or west to an access point at least a mile further down the Interstate. These alternative routes are inefficient and result in increased fuel consumption emissions. Offering a reliably efficient Southgate Interchange will enable area residents to travel along the most direct routes to access their destinations, reducing fuel consumption and emissions by residential vehicles.

Furthermore, residents and businesses within southeast Pendleton must utilize Tutuilla Road to access north and west Pendleton as it is the only east-west connecting road to Southgate. This route takes vehicles north to the Interchange on the south side of the Interstate and can be drastically inefficient for residents seeking to travel to common destinations in southwest Pendleton such as St. Anthony Hospital, Pendleton Middle School, and commercially developed areas. The proposed extension of Perkins Avenue will provide an alternate, more direct route to these areas for residents and school buses in southeast Pendleton. As a result, it is estimated that miles driven will be reduced by at least 2 miles per trip amount for many area trips with a resulting reduction of fuel use and emissions.

Finally, I-84 is a highly-used freight corridor for long-haul trucking carrying shipments in between Pacific Coast access points like Portland, Oregon; Seattle, Washington; and the entirety of the country to the east. Under its current design, the congestion within Southgate Interchange results in significant backflows off the exit ramps that can cause trucks to expend additional fuel usage and emissions. The proposed project will eliminate these delays to enable efficient travel of freight trucks and passenger vehicles, reducing emissions and fuel consumption for all vehicles traveling through the Pendleton area along I-84.

Additional Environmental Benefits and Protections

The I-84/US 395 Southgate Interchange Improvements Project will not be constructed in an environmentally sensitive area. It has been strategically designed to avoid any wildlife habitat areas and will be constructed in full compliance with best practices to avoid any detrimental

impact to the environment or endangered species. The project's design and engineering will include stormwater mitigation, ensuring the project is constructed to prevent harmful stormwater runoff from the interchange surfaces. ODOT has already worked closely with FHWA environmental staff, which has made the determination that the project will fall into the Categorical Exclusion (CE).

The project will also provide improved access to an ongoing brownfield redevelopment site located north and west of the proposed Phase I improvements within the Project. The Brownfield site has contamination from organic wood chips from its time as a lumber mill. The property owner is in the process of cleaning up the organic wood chip contamination, which requires separating the material out from the inert soil. To date, it is estimated that about one-half of the overall brownfield site contamination has been addressed. This site is approximately 5.3 acres in size and zoned for Commercial Mixed Use within the City of Pendleton.

Furthermore, the project will redevelop four additional sites containing identified hazardous materials. This includes two underground storage tank locations, the site of a former dry cleaner, and the site of a former refinery.

Quality of Life

Increases Local Transportation Choices

Whether residents of Pendleton live on the south or north side of the City, they must constantly travel through the Southgate Interchange to access jobs, health care, stores, and other frequent destinations and essential services. However, residents often face traffic delays due to congested traffic in the Interchange. Some residents are forced to travel further east or west to reach other Interstate crossings to avoid these delays. Reconstruction of intersections on the north and south side of the Interstate, as well as the extension of Perkins Avenue, would drastically minimize any delays for traffic traveling toward or away from connector roads to the downtown core of Pendleton, allowing residents to freely travel throughout the City and efficiently reach their destination without having to avoid congestion from the Interstate.

The project will also improve access for pedestrians and bicyclists. With no bike or pedestrian facilities present in much of the interchange, current conditions present a significant challenge for non-vehicular traffic. Bicyclists and pedestrians are forced to share the road with motorists, cross uncontrolled lanes, and negotiate turns through intersections, or travel in the wrong direction on the southbound bike lanes to access 20th Street which has no bike lanes and limited sidewalks.

Improvements under the proposed project have been carefully designed to address these problems with safe and reliable travel for non-vehicular traffic including 6' bicycle lanes, 11' wide shared-use paths, rectangular rapid flash beacons (RRFB), a "jug-handle" approach to enable bicyclists and pedestrians with better vision of oncoming motorists, and a cut-through right-turn channelization island with 8' openings to allow bicyclists to make any movement through the intersection safely, without having to share a lane with motorists. Intersection improvements will also be improved under designs that encourage drivers to take turns at a slower speed and to provide better sight distance for the enhanced RRFB crossing of the 11' wide shared-use path.

There are also many locations where unnecessary driveways will be closed or rebuilt to provide better access. By restricting access along each section, the number of conflict points for motorists and bike/pedestrian users is greatly reduced.

In addition to the shared use path and shorter crossing distances, there are 56 curb ramps within this project that have been designed in accordance with current ODOT Americans with Disabilities Act (ADA) standards. Moreover, handrails will be constructed as a barrier and a guidance tool in places where retaining walls are required behind the sidewalk. All of these improvements will provide a safer, more efficient experience for all modes traveling through the interchange.

Furthermore, extending Perkins Avenue would provide an alternative east-west connection south of I-84. Currently, the only east-west option is Tutuilla Road, which is just south of the Interstate and would be reconstructed at its crossing within the Southgate Interchange. Perkins Avenue currently connects with Southgate nearly a mile south of the Tutuilla/Southgate crossing at the Interchange. Under the proposed project, Perkins Avenue would be extended to connect with the southeast portion of Tutuilla Road about a mile southeast of Tutuilla's connection with Southgate at the Interchange. The extension would include dedicated bike lanes and sidewalks.

In addition to significantly reducing traffic congestion, this new east-west connection would greatly improve efficiency by creating a new direct route to common southerly destinations, especially for existing and planned residential developments in the southeast part of the City that are forced to use the congested Southgate Interchange for virtually all traffic destinations. Pendleton Middle School is located in southeast Pendleton and the high school is on the north side, while homes are dispersed on either side of the Interstate. This new connection would provide buses more direct routes to homes, alleviating a significant pressure on the Interchange at the end of the school day. In recognition of these benefits, a letter of support from the Pendleton School District, Education Service District, and Mid-Columbia Bus Company are attached to this application as "letters of support" and available on the [application website](#).

Because Perkins Avenue would serve only local destinations, no new freight traffic would be generated along this road. Existing truck traffic through the area would continue to the Southgate Interchange for direct access to I-84 and US 395. As such, this project will support local access in this rural area by separating interactions between passenger vehicles and freight vehicles, and improving efficiency throughout the system.

Moreover, the City has experienced two catastrophic flooding events in the course of the past 12 months that have had an enormous economic impact on the local community. In addition to damage to local businesses and the loss of jobs, hundreds of homes were damaged or destroyed. Approximately 90 percent of these damaged homes were uninsured, with many of the residents in these rural neighborhoods economically disadvantaged. Unfortunately, a housing shortage existed before these events and affordable rental housing is nearly nonexistent, particularly within a reasonable commuting distance of the impacted areas. As such, the need for additional housing is more critical than ever. The extension of Perkins Avenue will provide access to approximately 100 acres of undeveloped residential zoned land outside of the floodplain, which will help address the need for expanded housing options.

Expands Rural Access to Essential Services

The reduced traffic congestion and expanded transportation options resulting from the project will significantly enhance access to essential services for Pendleton residents and businesses south of the Interchange as well as additional rural areas of Umatilla County south of the City.

The Pendleton Police Department is located in the northwest area of Pendleton, north of the Interstate. In order for the Police Department to respond to incidents in the southern portion of the City, their officers usually travel through Southgate under the Interstate or eastbound along I-84 before exiting into the Southgate Interchange on the south side. The proposed project will significantly enhance their response times by reducing traffic congestion throughout the Southgate Interchange, and lessen the frequency of collision incidents in the Interchange which stretch their limited resources even thinner.

Furthermore, residences in southeast Pendleton are currently accessed almost exclusively through Tutuilla Road which runs just south of the Interchange. The extension of Perkins Avenue will provide an alternate east-west connection to this area of the City that the Police and Fire Department expects to use when responding to incidents in this portion of the City.

The Umatilla County Sheriff's office is also located north of the Interstate in the City's downtown core. Southgate (which becomes US 395 to the south) offers the Sheriff's office the most direct and efficient route south to expansive rural areas of Umatilla County and to southern Pendleton when assisting the Pendleton Police Department. In addition, Sheriff's Deputies often travel towards the Southgate Interchange from either westbound or eastbound lanes along I-84. Minimizing traffic congestion through improvements to Southgate Interchange will enhance the Umatilla County Sheriff's Office's ability to quickly and effectively respond to incidents in this sparse area the County.

Due to the division of the City by the Interstate, Pendleton Fire & Ambulance has stations on each side of the Interstate, allowing fire vehicles to quickly respond to incidents depending on where they are located. However, incidents often require additional vehicles and personnel from the other station to travel from one side of the Interstate to the other to assist in responses. Furthermore, due to the expansive rural nature of Pendleton and Umatilla County, the Pendleton Fire Department provides mutual aid response to areas throughout the 3,231 square miles of the County, which requires quick travel along or across the Interstate. Reducing congestion on Southgate and backups along the Interstate through the proposed reconstruction of the Interchange will enhance the response of the Pendleton Fire Department to incidents within Pendleton and throughout Umatilla County. Furthermore, the extension of Perkins Avenue to Southeast Tutuilla Road also provide an alternate, more efficient route for the Fire Department to service residential and commercial areas in southeast Pendleton.

In addition to the reconstructed interchange intersections, the traffic signals in the project area will be equipped with Global Positioning System (GPS) pre-emption technology for first responders. This improves safety at the intersection by stopping traffic that could enter the path of a first responder from turning across the path of the emergency vehicle. With emergency vehicles now being tracked by GPS technology to relay information to dispatchers and utilize GPS

to efficiently locate the scene of an incident, this use of the latest pre-emption technology will further enhance the safety and response times of the area's first responders.

Umatilla County, Pendleton Police Department, and Pendleton Fire & Ambulance have provided letters of support, which are included as part of this application as "letters of support."

Improves Rural Connectivity to Critical Destinations

Pendleton is home to St. Anthony Hospital, a federally designated critical access hospital that serves its rural region of northeast Oregon as the only hospital within a 28-mile radius. The hospital is located south of the Interstate directly on Southgate near other medical facilities such as Eastern Oregon Orthopedic, Pendleton Primary Care Clinic, and Interpath Laboratory which provides medical lab testing for medical centers throughout Oregon, Washington, and Idaho.

Ambulances and non-emergency vehicles traveling from the Interstate or north of the Interstate towards the St. Anthony Hospital and other nearby medical services almost always travel through the Southgate Interchange. However, the current issues of the Interchange create traffic congestion that can delay these ambulances or other vehicles from reaching critical medical care when time is of the essence. The resulting improvements from the proposed project will relieve this congestion and allow vehicles to access health care and emergency medical service destinations more efficiently. Recognizing the benefits of this project, St. Anthony is a strong supporter of this application and has provided a letter of support submitted with this application in the attached "letters of support."

The City of Pendleton is also home to the Eastern Oregon Regional Airport, a federally designated Essential Air Service airport that provides daily flights to Portland, Oregon. The airport is owned and operated by the City and provides the only commercial air service option in the entirety of eastern Oregon. Individuals traveling to and from the airport who reside south of Pendleton in other rural communities like Pilot Rock, John Day, and Canyon City, will travel along US 395 through the Southgate Interchange in order to access the airport. Reconstruction of the interchange will enhance their access to this vital service.

The City of Pendleton also neighbors the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) to the east, which operates the Wild Horse Casino and local golf course. Including the Confederated Tribes of the Umatilla Indian Reservation adjacent to Pendleton, Umatilla County is home to approximately 80,500 people. A large number of CTUIR individuals reside within the City of Pendleton, including an estimated 25 percent of the CTUIR workforce. Those living in the southerly part of the City regularly utilize the Southgate Interchange, especially when entering the Interstate to travel east toward CTUIR. This project will enhance travel between daily destinations and jobs in Pendleton and CTUIR.

For example, Kayak Public Transit, operated by CTUIR, is the largest rural public transportation provider in eastern Oregon. Because of severe traffic congestion creating an inability to turn left at the interchange, Kayak vehicles have to use alternate routing in order to maintain schedules. In their attached letter of support for the BUILD application ("letters of support"), Kayak states that for the entire 19 years of Kayak's operations, safety and efficiency concerns at the interchange have caused endless increases in cost and drive time, and reductions of efficiency

for the transit riders. The construction of the interchange improvements will allow Kayak to enhance transit options, which will further reduce traffic congestion and ensure safe travel for freight, personal vehicles, pedestrians and bicyclists.

As a rural community, the City of Pendleton recognizes that providing adequate broadband service is critical for ensuring opportunities for our residents. As such, the City of Pendleton and ODOT will engage local fiber companies during implementation of this project to enable concurrent deployment of broadband as part of the project. Depending on the willingness of local providers, this could include the deployment of fiber along the extension of SW Perkins Avenue, which would provide broadband service to an entirely new residential area.

Innovation

Innovative Technologies

High-speed broadband networks are integral for rural businesses to compete in the modern economy and to provide residents with opportunities. Recognizing the importance of providing broadband access to members of its rural community, the City of Pendleton and ODOT will engage local fiber companies during implementation of this project to enable concurrent deployment of broadband as part of the project. Depending on the willingness of local providers, this could include the deployment of fiber along the extension of SW Perkins Avenue, which would provide broadband service to an entirely new residential area.

The project will also utilize traffic signal cameras throughout the Interchange to monitor and best facilitate traffic. This will ensure the Interchange is dynamic for differing traffic volumes experienced throughout the day. Utilizing this equipment will allow the project to efficiently facilitate traffic for long-term use of the Interchange.

The traffic signals in the project area will also be equipped with Global Positioning System (GPS) pre-emption technology for first responders. This improves safety at the intersection by stopping traffic that could enter the path of a first responder from turning across the path of the emergency vehicle. With emergency vehicles now being tracked by GPS technology to relay information to dispatchers and utilize GPS to efficiently locate the scene of an incident, this latest pre-emption technology can be used to pre-empt a signal to clear traffic from an intersection, while also providing a secure method of ensuring only emergency vehicles are able to engage the signal clear out mode.

Innovative Project Delivery

ODOT and the City of Pendleton are interested in exploring an alternative delivery method such as Design-Build if it would help streamline completion of the project. Both parties are dedicated to implementing this project in the most efficient manner possible within our logistical abilities.

Innovative Financing

Knowing that the Department of Transportation has limited available federal grant funds under the BUILD program, the City of Pendleton and ODOT are each committing \$2 million, providing the remaining \$4 million needed to complete the project. The City of Pendleton is obligating

funding from its existing Street Fund, which is primarily funded from fuel tax shared revenues. ODOT matching funds are derived from state funding sources for Region 5, Eastern Oregon.

In addition, the project will capitalize on previous investment into the Interchange Area Management Plan and other preliminary work or temporary management measures for the Interchange. Together, the City and State of Oregon have already committed \$1 million for the preliminary surveying and design work currently underway for these improvements. This work will be complete by the time BUILD funds are awarded to enable prompt delivery of the project. Previously, the State of Oregon has completed a \$1.2 million intermediate improvement with a signalized intersection for the eastbound off-ramp. The State has also invested roughly \$530,500 in survey work for the improvements on the south side of I-84 and interchanges with the US 395 Southgate corridor, bringing the total previous investment to \$3.15 million.

The State of Oregon has reiterated its commitment to infrastructure investment through new revenue streams. The State has continually been at the forefront of establishing and devoting gas tax revenues to infrastructure investments. In 1919, Oregon was the first to levy a gas tax and ever since it has been innovative in its funding of transportation, including through the OreGo vehicle miles traveled pilot program. In 2017, transportation infrastructure legislation created a 10-cent per gallon graduated gas tax increase that is estimated to raise as much as \$1 billion per fiscal year for state highways. A 4-cent per gallon initial increment took effect in 2018, before gradually increasing to 10-cents per gallon through 2024. While many states defer for 20 years to adjust gas taxes and other infrastructure revenue sources for inflation, Oregon has been a leader by revisiting the issue more frequently.

The City of Pendleton has worked extensively with ODOT and other local partners on transportation infrastructure needs, but lacks the resources necessary to meet the remaining funding gap for this project. The City is located in a vast rural area with a modest population of 16,810 and county population of 80,500 people with very limited opportunities for additional public financing.

Despite the importance of this project to the City of Pendleton and the eastern Oregon region, the project is unlikely to be completed without funding from the BUILD program or another outside source due to limited community resources. No funding was provided in the Oregon Legislature's recently passed transportation infrastructure package in 2017, with funding primarily being dedicated to the Portland metropolitan area and other urban centers in the State, instead of this rural region. Due to the limited budget of the City and the funds appropriated to ODOT Region 5 (rural eastern Oregon), this project will not be completed without federal investment.

The Oregon Legislature also affected the City's home rule in 2009 by restricting the City's ability to pass a local gas tax by City Council action. Prior to 2009, the City of Pendleton successfully used the gas tax to fund local match for federal dollars, but after the Legislature's action, cities in Oregon are required to gain ballot approval by local citizens before imposing a local gas tax. Pendleton has sought to establish an ongoing gas tax to fund street maintenance, but has yet to have success in gaining voter approval. Currently, for every gallon of gas sold in Pendleton, the City receives about \$7,800 in Federal funding for every 1-cent in Federal gas tax; about \$32,500

in State funding for every 1-cent in State gas tax; and about \$110,000 in direct funding for every 1-cent in a local gas tax.

Partnership

As the top transportation infrastructure priority for the area, the I-84/US 395 Southgate Interchange Improvements Project is strongly supported by a wide base of local and regional partners. Planning and design of this project has resulted from close coordination between the City of Pendleton and ODOT with input from Umatilla County. The City of Pendleton and ODOT coordinated to complete and adopt the [I-84/US 395 Interchange Area Management Plan in 2010](#), which involved extensive public outreach to residents, businesses, and local partners.

This application represents a continuation of the partnership between the City of Pendleton and ODOT for managing the Southgate Interchange. In addition to previous investments made into this Interchange by ODOT and Pendleton, each entity will contribute \$2 million towards construction of the project if BUILD grant funds are awarded. Attached within the support documents of this application in “letters of support” is a letter of support from the Oregon Transportation Commission (2020) and Oregon Freight Advisory Committee (2019). The Pendleton City Council’s resolution to contribute \$2 million toward the project if BUILD funds are awarded is attached as part of this application as “Pendleton Financial Commitment Letter.”

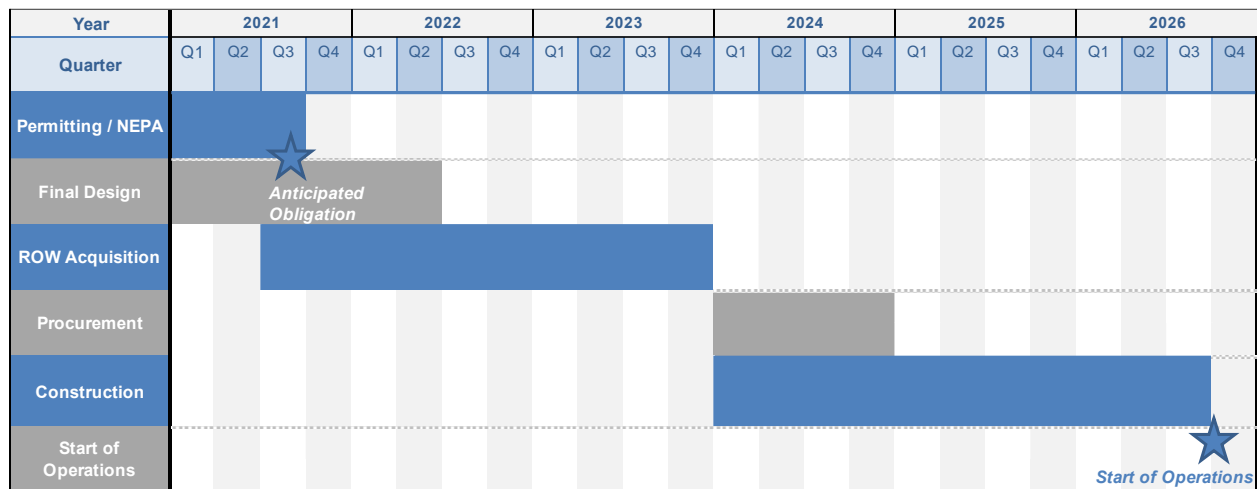
In addition to ODOT and the City of Pendleton, the project has strong support from the local community. The following organizations have provided letters or resolutions in support that are submitted with this application or forthcoming. These are attached as “letters of support” and available on the [supporting materials website](#).

- Blue Mountain Community College
- Confederated Tribe of the Umatilla Indian Reservation (CTUIR) Kayak Transit Service
- Farm Supply Distributors
- Greater Eastern Oregon Development Corporation (GEODC)
- InterMountain Education Service District
- Mid-Columbia Bus Company
- Newlyweds Foods
- Office of Governor Kate Brown (Regional Solutions)
- Oregon Freight Advisory Committee
- Oregon Transportation Commission
- Pendleton Chamber of Commerce
- Pendleton Fire and Ambulance Department
- Pendleton Police Department
- Pendleton Public Works Department
- Pendleton School District
- St. Anthony Hospital
- Umatilla County
- Umatilla County Sheriff's Office

Environmental Risk Review & Project Readiness

Project Schedule

The project schedule below outlines the dates by which the City of Pendleton and ODOT plan to complete each aspect of the project. As shown, we have planned for obligation well ahead of the obligation deadline, and as soon as 6 months within receiving an award. Construction should be completed by the end of 2026, well before the deadline of September 30, 2027. The City of Pendleton and ODOT will work to acquire all rights-of-way expeditiously once the BUILD grant is awarded, capitalizing on previous work already completed as part of the [Interchange Area Management Plan](#). This will all be completed in accordance with 49 CFR part 24, 23 CFR part 710, and other applicable legal requirements. Moreover, the City of Pendleton and State of Oregon have already committed \$1 million in funds for surveying, preliminary right of way, environmental work and design work that is currently underway for these improvements. This work will be complete by the time BUILD funds are awarded to enable prompt delivery of the project.



Preliminary designs, probable construction methods, and cost estimates have already been completed, confirming the project is technically feasible. Estimates were developed as a product of collaborative work between ODOT and the City of Pendleton as part of the [Interchange Area Management Plan in 2010](#), and most recently, refined as survey and preliminary engineering have developed with the 1 million-dollar, design only, current ODOT STIP project.

Required Approvals

Environmental Permits and Reviews

National Environmental Policy Act (NEPA)

The project is located within previously developed land and no environmentally sensitive areas are within the project area, no significant impacts will result from the construction and operation of the project. ODOT has been working closely with Federal Highway Administration’s (FHWA) environmental staff regarding the classification, and FHWA has made the preliminary determination that the project will fall into the Categorical Exclusion (CE) classification per CFR 771.117(d)(13). See attached “Environmental Prospectus.”

Reviews, Approvals and Permits by Other Agencies

No wetlands or waterways will be directly impacted by the project and, as such, permits will not be required the Oregon Department of State Lands or the U.S. Army Corps of Engineers. However, Endangered Species Act (ESA) consultation with the National Marine Fisheries Service will be required to address stormwater impacts. The Oregon State Historic Preservation Office must be engaged in compliance with Section 106 of the National Historic Preservation Act. Tribal consultation with the Confederated Tribes of the Umatilla Reservation is also needed.

The project has been strategically designed to meet transportation needs with input from local stakeholders and partnering municipalities (see attached support resolution from Umatilla County in “letters of support”). As such, ODOT and the City have ensured that no environmental or other public resources will be negatively affected by completion and operation of the project.

Environmental Studies

Construction will take place only within the City’s developed and zoned land, so environmental mitigation measures are not anticipated. Additional environmental investigations will be completed to support the preliminary NEPA CE determination including, but not limited to: Endangered Species Act consultation to address stormwater; National Historic Preservation Act Section 160 investigations for archaeological and built environment resources and tribal consultation; noise impact and abatement analysis; and a Hazardous Materials Corridor Assessment.

Federal Agency Collaboration

While there are no final environmental documents to provide at this point, the City of Pendleton and ODOT have coordinated with the Division Office of FHWA on this project to ensure that its implementation fully adheres to all environmental and other federal laws and regulations. FHWA provided assurance that the project would not require an Access Modification Request (AMR) to FHWA, and appeared to be fully acceptable with all other relevant regulations. With a project prospectus is now complete between ODOT and FHWA, FHWA has made the preliminary determination that the project will classify as Categorical Exclusion (CE).

Public Engagement

ODOT and the City of Pendleton have strived to design this project with input from local residents and stakeholders to ensure it meets the needs of all users of the transportation system while taking appropriate measures to avoid adverse impacts to any neighboring properties. In 2010, the City of Pendleton completed a comprehensive [Interchange Area Management Plan](#) that relied heavily on a public process to solicit input from community members. The City sought to involve the local community, so residents would be aware of potential designs and why certain designs may be preferred over others. As part of this process, the City held multiple open houses in addition to public hearings before the Planning Commission and City Council before the plan was adopted. Moreover, the attached financial commitment resolution for \$2 million in local matching funds went before Pendleton City Council in a public forum where it was unanimously approved (“Pendleton Financial Commitment”).

State and Local Approvals

The project includes broad public support demonstrated by the letters of support submitted with this application from the Oregon Transportation Commission, Oregon Freight Advisory Committee, Umatilla County, Umatilla County Chamber of Commerce, and a number of public and private entities in Pendleton.

Planning and design has already been included in the [Oregon STIP](#) (page 556). The project is a top priority for ODOT Region 5 (eastern Oregon), which will contribute \$2 million in project funding upon receiving federal BUILD funds. The project will be quickly incorporated into the STIP with the awarding of the requested BUILD grant.

The City of Pendleton has adopted the [I-84/US395 Interchange Area Management Plan](#) for this interchange project. As such, this project was amended into the City's adopted [Transportation System Plan](#).

The project is outside of the jurisdiction of Umatilla County so no action is required to incorporate the project in the County's planning documents. Nevertheless, Umatilla County is a strong supporter of this project and a support resolution approved by the County Board has been included as part of this application (attached within "letters of support").

Federal Transportation Requirements Affecting State and Local Planning

In recognition of the regional importance of the I-84/US 395 Southgate Interchange Improvements Project, it was included as an identified need in the most recent [Oregon Freight Plan](#), which states on page I-39 that "the U.S. 395/I-84 Interchange ramps no longer meet intersection function criteria. Traffic backs up the ramps to the freeway regularly. This affects the primary entrance to Pendleton's commercial district." Furthermore, the project is supported by Umatilla County, as well as the Oregon Transportation Commission and Oregon Freight Advisory Commission. No further legislative approvals are needed for completion.

The anticipated schedule of this project is fully compliant with all relevant state and local plans. ODOT and the Oregon Transportation Commission have already incorporated planning and design for this project into the [Oregon STIP](#) (page 609), and its construction will be easily added.

Assessment of Project Risks and Mitigation Strategies

Both the City of Pendleton and ODOT believe the I-84/US 395 Southgate Interchange Improvements Project is low-risk. Analysis shows little need for mitigation due to its strategic design to avoid any obstacles that would prevent prompt completion. The project is a result of extensive public engagement with preliminary design work already completed. The project has been strategically planned to avoid any issues with permitting, technical feasibility, funding, or any other risks that may create obstacles to timely delivery of the project. Both ODOT and the City of Pendleton have proven themselves responsible stewards of previous federal funding. The City and ODOT's analysis and planning process has not shown any serious obstacles that pose a threat to completion of this project once BUILD funds are awarded.

Risk Mitigation Table

Risk Description	Risk Assessment	Risk Level	Mitigation Plan
Environmental: potential for additional permitting if work is required in environmentally sensitive areas	Project is located within previously developed land and transportation corridors. Potential widening of Southgate is within proximity with Tutuilla Creek but should be avoided.	Low	Final planning and engineering will ensure the project design follows a route that does not negatively impact Tutuilla Creek and create the need for additional unnecessary permitting.
Cultural or Historic Resources: potential for increased permitting if project impacts cultural or historic resources	Project is located on previously developed land where no issues were raised previously. Project does not impact nearby cemetery owned and operated by City.	Low	Project implementation will follow designs to stay within previously disturbed ground and avoid any areas of concern.
Agency Approvals: potential for delay with complex projects involving multiple jurisdictions	Pendleton and ODOT have coordinated closely to develop this project. The project does not cross land on any additional jurisdictions.	Low	N/A
Right of Ways	Right of ways will be required. These have been previously identified in the completed IAMP.	Low	Pendleton and ODOT will have ODOT ROW negotiate real market value for ROW purposes.

Benefit Cost Analysis

The Benefit Cost Analysis was conducted by ODOT to the best standard possible using the U.S. DOT's *Benefit-Cost Analysis Guidance for Discretionary Grant Programs*, January 2020 guidelines. The detailed cost and benefit assumptions are provided in the BCA submitted with this application. Although appropriate data for project-level benefit-cost analysis purposes is limited for this project, the latest published traffic counts (for 2018) in the project area indicate annual average daily traffic of 29,500 at the I-84 undercrossing. Despite the unavailability of the required data to fully encapsulate all of the benefits of this project into the BCA, the results of the analysis indicate a positive B-C ratio of 1.62:1 at a 7 percent discount rate.

BENEFIT: COST ANALYSIS SUMMARY (7% Discount)	
PV of Capital Costs	(\$21,333,463)
PV of Benefits (Total)	\$34,568,181
PV of State of Good Repair Benefits	\$273,200
PV of Economic Competitiveness Benefits	\$28,715,996
PV of Quality of life Benefits	\$633,105
PV of Environmental Sustainability Benefits	\$198,647
PV of Safety Benefits	\$2,033,433
PV of Residual Value	\$2,787,756
PV of Additional Maintenance	(\$73,956)
PV of Cost to Highway Users	\$0
Net Present Value	\$13,234,718
Benefit to Cost Ratio	1.62:1