

Application to the 2022 U.S. DOT RAISE 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:	City of Pendleton
Applicant Type:	Municipality
RAISE Request:	\$35,760,000
Non-Federal Match:	\$4,250,000 (11%)

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

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Project Description

The City of Pendleton, in partnership with the Oregon Department of Transportation (ODOT), is requesting \$35,760,000 in RAISE funds toward a total \$40,010,000 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 facilitating freight traffic 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 backups onto the interstate and along the highway, preventing traffic from safely flowing between the two routes and local streets through Pendleton.

RAISE 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 RAISE program criteria and no non-federal match is required, the City of Pendleton and the State of Oregon are each contributing \$2,000,000 with an additional \$250,000 from Umatilla County, for a total of \$4,250,000 in collective matching funds to make this severely needed proposal a reality.

Project Components

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

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

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. The only other east-west connection lies several miles to the south. 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 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 destinations by traveling through the Southgate and Tutuilla Road intersection directly south of the interchange.

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 housing supply, 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. 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 efficiently 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.

Benefits to Underserved Populations

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 laid with a flawed design 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, its construction created a physical barrier between north and south sides of the city. The size of the local community and use of the interstate have increased significantly since I-84's initial construction. As a result, the misguided 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 both motorized and nonmotorized travelers, this project will enhance the safety of the local community and outside 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 National Roadway Safety Strategy and ROUTES initiative, the project will significantly improve safety, economic opportunity, and quality of life for residents in Pendleton's rural community and neighboring areas.

Moreover, the project will enhance access between the City of Pendleton and the neighboring Confederated Tribes of the Umatilla Indian Reservation (CTUIR). As described later in the evaluative criteria, the project will increase safety and mobility for CTUIR's transit service and members of CTUIR who live in the City of Pendleton. A large number of CTUIR individuals reside within the City of Pendleton, including as an estimated 25 percent of the CTUIR workforce.

Project History

Due to the significant shortcomings 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. Soon after, measurements of traffic volume exceeded expectations and all triggers were quickly surpassed, indicating a severe need for reconstruction of the interchange.

In addition to the \$4,250,000 match that Pendleton, ODOT, and Umatilla County will contribute towards construction of the improvements, Pendleton and ODOT have already invested at least \$3,402,553 toward the project. Both entities have committed \$1,000,000 in funds for preliminary surveying and design work that is nearly complete and will enable prompt delivery of the project if awarded. Previously, ODOT 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, the Federal Highway Administration's (FHWA) Division Office has already determined that the project will classify as a Categorical Exclusion (CE) under NEPA.

Because of these investments, the preliminary design work for the project will be finished before RAISE 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.

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 Previous City/ODOT Investment Into Interchange			\$3,402,553

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.



While the project is not located directly within an Area of Persistent Poverty or a Historically Disadvantaged Community according to DOT’s criteria, the City of Pendleton is a small, rural community with limited funding resources, that has struggled to rebound and recoup opportunities lost during the Great Recession amidst ensuing hardships from flooding and Covid-19. Between 2012 and 2016, the County’s employment total grew by 2.3% while the State as a whole grew by 12.0%. In 2019, the City of Pendleton per capita income was \$22,992, just two-thirds of the amount statewide. Similarly, the poverty rate in Umatilla County is 25% higher than the state average and 20% higher than the national average (American Community Survey).

Additionally, Census Tract 9507 directly northeast of the project area is a designated Historically Disadvantaged Community and its population will benefit from construction of this project. The project will also support access to a federally designated Opportunity Zone in this area. Prior to Covid-19, this area, census tract 41059940000, had a poverty rate of 22% and an unemployment rate of 9.9%, which were both well above the pre-pandemic national average. 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.

Moreover, the City experienced two catastrophic flooding events recently that 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](#). Nearly 400 buildings were damaged or destroyed and many residents were 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. Many smaller businesses that were affected lacked flood insurance since their facilities were outside the 100-year flood plain.

These challenges have been exacerbated by the COVID-19 pandemic. Umatilla County was consistently designated as Extreme Risk, the highest level in the State. The pandemic demanded significant unexpected costs and resources from the City of Pendleton with further decline in the local economy. The City's general fund was recently projected to have a \$1 million reduction in revenue, and 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 RAISE grant funds will have momentous influence in reversing these effects and supporting immediate and long-term economic wellbeing of the community.

Southgate Interchange Improvements on North Side of Interstate 84



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 design inherited by the City from the federal overlay in the 1960's 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 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 interchange 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.

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 aerial systems (UAS) Test Range, an FAA-designated site that continues to grow rapidly with the attraction of the nation's leading UAS technology innovators, which includes Amazon, Verizon Robotics, Spright, and Insitu, a Boeing subsidiary, 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, as well as leading employers like Keystone RV, Pendleton Woolen Mills, and the Eastern Oregon Correctional Institution.

Several of these employers are actively seeking to hire additional employees but cannot find available individuals due to the need for additional residential housing, a key benefit of the proposed project. Before the recent flooding events and COVID-19 pandemic, 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.

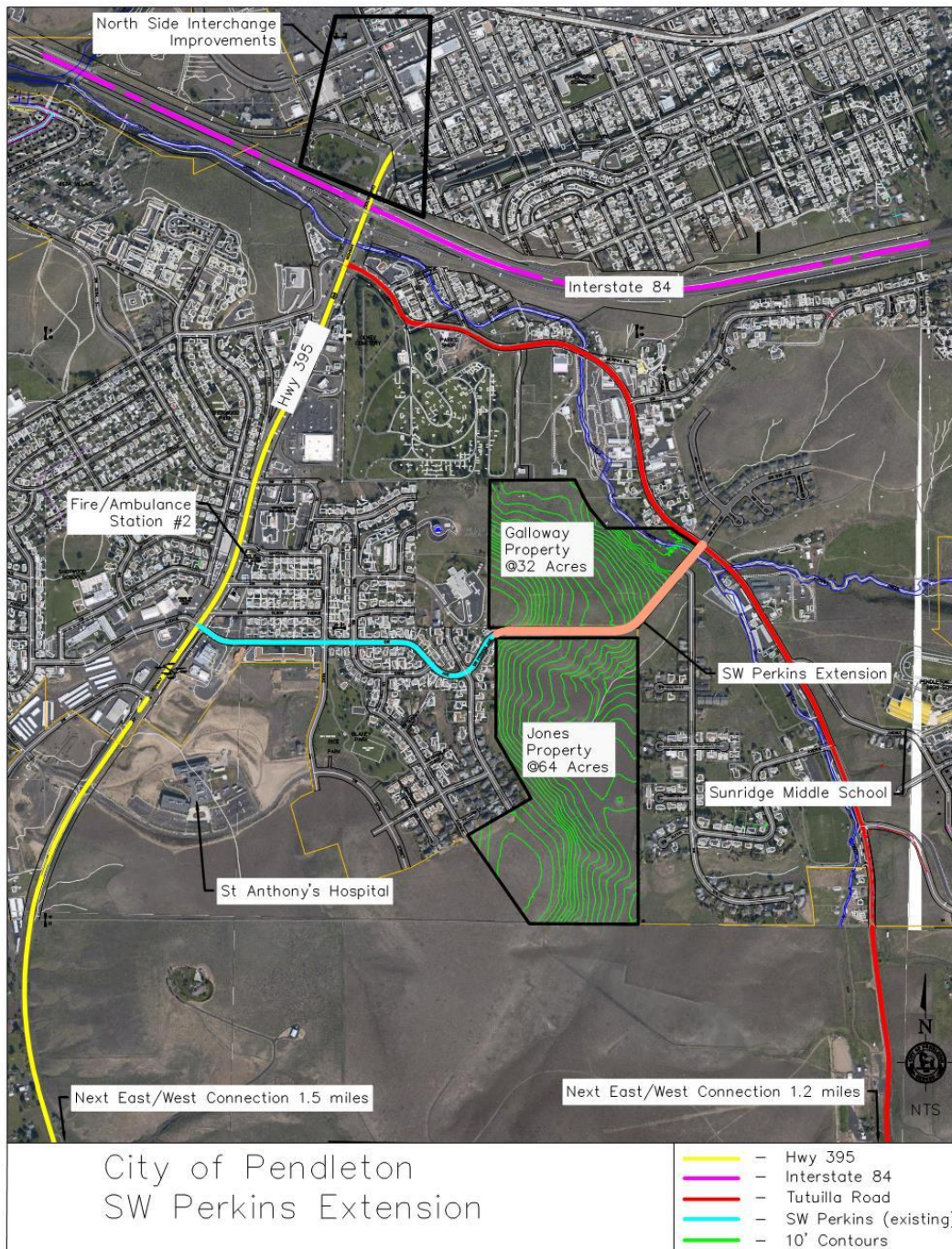
On the south side of the interstate, Southgate Avenue provides connections to residential and commercial areas, before continuing southward as US 395 toward communities in the central and southern areas of the state including the cities of John Day and Burns. This highway is a vital freight corridor 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. Nearly 100 acres of unused, residential-zoned acreage lie along the proposed extension. As shown in the map below in orange, the 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 area 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 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 above). Instead, freight trucks would continue traveling along Southgate/US 395 and through the interchange with greater efficiency from the reduction in local traffic.

Proposed Extension of SW Perkins Ave



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

Grant Funds, Source and Use of all Project Funding

The City of Pendleton is requesting \$35,760,000 in RAISE grant funding. The total cost of the I-84/US 395 Southgate Interchange Improvements Project is \$40,010,000. While this project easily meets rural qualifications under the RAISE grant criteria, and no non-federal match is required, the City of Pendleton and ODOT are each contributing \$2,000,000 in non-federal matching funds to make this severely needed proposal a reality. Umatilla County will also contribute \$250,000.

Funding Source	Total (\$)	Percent of Total
City of Pendleton	\$2,000,000	5%
Oregon Department of Transportation	\$2,000,000	5%
Umatilla County	\$250,000	1%
Subtotal - Non-Federal Matching Funds	\$4,250,000	11%
Federal RAISE Grant Funds	\$35,760,000	89%
Other Federal Funds	\$0	0%
Subtotal - Federal Funds	\$35,760,000	89%
Total	\$40,010,000	100%

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 RAISE funds ("ODOT Financial Commitment").

Project Budget by Component and Funding Share					
	Total Cost	RAISE Funds	Pendleton	ODOT	Umatilla County
Interchange Improvements	\$38,210,000	\$34,151,202 (89%)	\$1,910,022 (5%)	\$1,910,022 (5%)	\$238,753 (1%)
Perkins Ave. Extension	\$1,800,000	\$1,608,798 (89%)	\$89,978 (5%)	\$89,978 (5%)	\$11,247 (1%)
Total Project	\$40,010,000	\$35,760,000 (89%)	\$2,000,000 (5%)	\$2,000,000 (5%)	\$250,000 (1%)

Project Budget by Phase of Work and Funding Share					
Component	Total Cost	RAISE Funds		Non-Federal Funds	
		Dollars	%	Dollars	%
Engineering	\$1,810,000	\$1,617,736	89%	\$192,264	11%
Utilities/ROW	\$10,500,000	\$9,384,654	89%	\$1,115,346	11%
Construction	\$27,700,000	\$24,757,611	89%	\$2,942,389	11%
Roadway	\$15,193,700	\$13,579,773	89%	\$1,613,927	11%
Structures	\$900,000	\$804,399	89%	\$95,601	11%
Earthwork	\$1,945,300	\$1,738,664	89%	\$206,636	11%
Const. Engin.	\$3,756,600	\$3,357,561	89%	\$399,039	11%
Contingencies	\$5,904,400	\$5,277,214	89%	\$627,186	11%
Total	\$40,010,000	\$35,760,000	89%	\$4,250,000	11%

In addition to the \$4,250,000 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. With the extensive preliminary design work that has been completed over that last year, ODOT has thoroughly developed a comprehensive budget for this project.

While a \$35,760,000 grant amount is needed to complete the project as a whole, ODOT and Pendleton understand that RAISE grant funds are limited. If 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.

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 National Roadway Safety Strategy and ROUTES initiative, this project will improve rural transportation safety by providing the infrastructure enhancements needed to reduce the number and likelihood of dangerous incidents for vehicles, trucks, bicyclists, and pedestrians, including vulnerable populations.

According to the [Oregon Department of Transportation's 2019 Transportation Volume Tables](#), the Southgate corridor currently facilitates the daily movement of over 28,100 vehicles through Pendleton, one of eastern Oregon's largest rural communities, while I-84 facilitates 17,600 daily vehicles through this area. 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 70 miles per hour when they encounter traffic backflows from vehicles trying to utilize the off-ramps on both 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 70 miles per hour to 25 miles per hour 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 at risk of collision.

Over the last seven years for which data is available (2011-2017), there have been 306 crashes in the area of the proposed interchanges improvements, including 129 injury crashes. According to FARS data, there have also been two fatalities in the last four years along this stretch of I-84. Completion of the project will address these systemic safety issues to 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. Conservatively, ODOT estimates the project would eliminate 31 percent of all collisions in the area.

To achieve these safety enhancements, 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. These improvements will drastically increase safety for vehicles exiting the interstate by not only reducing the number of collisions, but also their severity by better facilitating reductions in speed.

Furthermore, the project would widen Southgate and improve two intersections directly to the north along Southgate to better facilitate traffic along this north-south corridor. Because congestion at these intersections directly contributes to the backup of traffic on the interstate, these improvements will alleviate pressure on the interchange to help off-ramp traffic flow seamlessly into Pendleton or southward on Southgate, and avoid future backups onto the highway. Intersection signals will also be equipped with traffic cameras to regulate traffic efficiently, eliminating

dangerous backflows and congestion throughout the intersections along Southgate. Altogether, it is estimated this will provide the infrastructure needed to facilitate the northside traffic load of the interchange for the next 40 years.

Additionally, 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 for an area that currently has no other option than to travel through 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.

All these improvements will greatly enhance safety for vulnerable roadway users, particularly non-vehicular traffic like pedestrians and bicycles traveling along Southgate. 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. A dilemma warning system will also be integrated to warn vehicle traffic if there is a pedestrian, bicyclist, or anything else in their lane or the interchange. Because many pedestrians and bicyclists along this roadway do not have the financial means to afford a personal vehicle, these improvements will have a particularly positive impact in addressing economic inequities among the area's crash victims and vulnerable users.

The offramp, intersection, and sidewalk improvements have all been designed with methods proven to improve safety. Additionally, the project will incorporate technology shown to enhance safety and response to incidents. The project will utilize traffic signal cameras throughout the interchange to monitor and best facilitate traffic needs according to differing volumes experienced throughout the day. The traffic signals in the project area will also be equipped with Global Positioning System (GPS) pre-emption technology for first responders. This will improve safety at the intersection by stopping traffic that could enter the path of a first responder by turning across the path of the emergency vehicle. This is particularly important since this intersection lies along the primary access road (Southgate) to the area's hospital. The intersection upgrades would be made in conjunction with recently completed pre-emption upgrades at other local intersections to maximize benefits of the technology.

These improvements are all particularly important for addressing inequities in crash victims among members of the tribal community, which [studies have shown are at higher risk of traffic crash fatalities](#). Many Confederated Tribes of the Umatilla Indian Reservation (CTUIR) members 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.

Moreover, Kayak Public Transit, operated by CTUIR, is the largest rural public transportation provider in eastern Oregon. Because of unsafe conditions and severe traffic congestion creating an inability to turn left at the interchange, Kayak vehicles have to use alternate routing in order to maintain schedules. According to Kayak, for the entirety of their operations, safety and efficiency concerns at the interchange have caused endless increases in cost and drive time, and reductions

of efficiency for its transit riders. The construction of the interchange improvements will allow Kayak to enhance transit options through a more direct, safe route, boosting access for members of CTUIR (see attached letters of support from CTUIR and Kayak).

Environmental Sustainability

Addresses Climate Change and Environmental Justice

Reducing greenhouse gas emissions and avoiding detrimental impact to environmental justice populations have been central tenants of the Southgate Interchange project throughout its planning and will be through its completion and operation.

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, and made recommendations for how to best reconstruct the interchange to fix its problems. The IAMP followed six key evaluation criteria, including “Environmental, Social, and Equity” to help “assess the degree to which a concept is compatible with the natural and built environment including environmental impacts and socio-economic impacts.”

Additionally, as part of the planning process the City of Pendleton and ODOT have coordinated with the Division Office of FHWA to ensure that the project’s implementation fully adheres to all environmental and other federal laws and regulations. A project prospectus (attached “Environmental Prospectus”) has been completed making the preliminary determination that the project will be classified as a Categorical Exclusion (CE). Impacts to climate change and environmental justice impacts were assessed to ensure the project contributed toward these goals and avoided any adverse effects.

Specifically, demographic data for the study area and any surrounding geographic units was obtained from the US Environmental Protection Agency (EJSCREEN Report, Version 2018). Based on this demographic data and field visits of the project area, the prospectus found that “there is no indication that EJ populations would be adversely affected by this project.” Moreover, the prospectus stated that while EJ populations may not occur in or proximate to the project area, ODOT will ensure that all populations potentially impacted by the project will be engaged in meaningful involvement above that already completed during development of the IAMP. As stated in the prospectus, “Outreach and engagement would focus on relaying the project’s effects to and getting input from the community about project impacts, particularly regarding mobility and access impacts during construction...to implement a robust public engagement effort.”

Additionally, the project will directly support ODOT’s Strategic Action Plan, which describes the agency’s priorities, goals and outcomes for the next three years. It has three main priorities, first of which is prioritizing diversity, equity, and inclusion. Equity goals focus ODOT on workforce diversity and opportunities for advancement, expanding economic opportunities for minority groups, climate equity, and creating more representative public engagement processes. The project would achieve these goals by supporting transportation, including pedestrian, bicycle, and transit (see “Quality of Life” and “Mobility” sections below for more details on these benefits), as well as economic opportunity for rural, underserved, and minority populations.

Finally, the project was designed as part of the ODOT Blueprint for Urban Design (BUD) Initiative, which seeks to align planning and design work for transportation projects by developing comprehensive design standards and guidance to address the unique needs of urban environments.

This effort considers all modes of transportation including public transit, pedestrian, and bicycle, which increase transportation options for vulnerable low-income populations.

Reduces 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, NO_x, 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 28,100 vehicles according to [ODOT's 2019 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.



Log Truck Like Those Frequently on US 395

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.

Additionally, due to its failures, 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 and 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 northward 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, Sunridge 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 for many area destinations, lowering fuel use and emissions.

These benefits are all substantiated by ODOT and FHWA’s findings in the Environmental Prospectus, which states that “Improved traffic flow and associated reductions in congestion in and around the proposed project area are anticipated. During long-term operations, this reduction of vehicle emissions would likely result in improvements to air quality in and around the project area.” (see attached “Environmental Prospectus”)

Lastly, 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. I-84 plays a key role in the shipment of renewable infrastructure including high, wide, and heavy shipments of wind turbines that are received at west coast ports and transported east. This specific portion of the interstate is critical to plans for expanded shipments of this infrastructure. US395/Southgate and this interchange serve as the primary outlet route for renewable torrefied biomass pellets transported northward from mills in Grant County (south of Pendleton) and westward along I-84. The proposed project will eliminate congestion and 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, including transportation of this renewable infrastructure.

Supports Environmental Sustainability

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 preliminary determination for a Categorical Exclusion (CE). The project is not located in a flood zone and does not require a flood analysis or rise certification. It will be completed consistent with the Federal Flood Risk Management Standard.

The project will also improve access to an ongoing brownfield redevelopment site located north and west of the proposed project improvements. 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 on the site, which 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 including two underground storage tank locations, the site of a former dry cleaner, and the site of a former refinery.

This project will also incorporate ODOT’s ongoing efforts to reduce greenhouse gas (GHG) emissions and achieve environmental justice. ODOT’s [2021-23 Strategic Action Plan \(SAP\)](#) identifies 10 strategic outcomes. Among the agency’s highest priorities is to reduce its carbon footprint by selecting and building cleaner projects. Oregon’s climate is drastically changing with more frequent and severe wildfires, flooding, and landslides. These events can lead to road closures that impact freight, the economy, and people’s ability to obtain critical services. Improving this interchange will enhance disaster preparedness and resiliency for the area, which is at particularly high risk for flooding, wildfires, and earthquakes. This is especially important considering the large events and gatherings that regularly take place in Pendleton (Round Up, Whisky Music Festival, etc.) and to the south in Grant County. Southgate Interchange is located at the confluence of US 395/Southgate and Interstate 84, which serve as the region’s primary travel corridors.

Importantly, Southgate provides the main access route to St. Anthony Hospital, a critical access hospital serving the region that would be crucial for crisis response to such an event.

The [Oregon Statewide Transportation Strategy: A 2050 Vision for GHG Reduction](#) is the state's roadmap for reducing carbon emissions from the transportation sector. Key actions include cleaner vehicles and fuels, low carbon modes, close proximity of housing to jobs, pricing (e.g. vehicle miles traveled charge), and demand management strategies (e.g. telecommuting). It is ODOT's policy to pursue efforts within each of these categories statewide, and several are incorporated into the planning and project delivery of this proposal.

Before Oregon's SAP and Statewide Transportation Strategy, the Bike Bill of 1971 and ODOT's current [Bike/Ped Implementation Plan](#) already laid the groundwork for modal shifts and reducing vehicle miles traveled. The Southgate Interchange Improvements Project will achieve both the policies and goals established in these guiding documents. This project will enhance connection across the freeway where one does not exist today – enhancing connections for rural residents, including low-income populations, to jobs and amenities. By creating more efficient routes for passenger and freight traffic and expanding bike, pedestrian, and transit options (as detailed in the “Quality of Life” section), the project supports a modal shift in freight or passenger movement to reduce emissions, reduce induced travel demand, and lower greenhouse gas emissions.

Finally, as stated in the Environmental Prospectus, the project will “mitigate for potential short-term construction related impacts to air quality. ODOT contract specifications require contractors to implement a variety of mitigation measures to minimize dust and exhaust emissions from construction equipment, vehicles, and construction activities.” As is standard in most of its contracts, ODOT anticipates the use of recycled asphalt, which will reduce the carbon footprint of the project.

Quality of Life

Increases Accessibility for Travelers

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 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.

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. Sunridge Middle School is 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 significant pressure on the interchange at the end of the school day (see attached letters of support from the Pendleton School District and InterMountain ESD).

This will be particularly beneficial in improving access for low-income populations. Sunridge Middle School, and McKay, Sherwood and Washington elementary schools are Title I schools with over 40% of their students from low-income families. The project will also serve several affordable housing complexes and a new low-income focused childcare facility opening this fall.

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.

In addition to benefits for disabled or non-vehicular travelers details below, these improvements will enhance access for members of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) who 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. This includes benefits for Kayak Public Transit detailed on Page 10-11.

Reduces Transportation and Housing Costs

The project was designed as part of the Oregon Department of Transportation Blueprint for Urban Design (BUD) Initiative. BUD considers all modes of transportation including public transit, pedestrian, and bicycle, which increase transportation options for vulnerable low-income populations. In line with this initiative, the project is designed to help reduce transportation cost burdens for those who cannot afford access to a personal vehicle by supporting alternate forms of transportation including transit, bike, and pedestrian traffic.

Specifically, the project will improve access for pedestrians, bicyclists, and disabled individuals by creating bike and pedestrian facilities, which are currently lacking throughout much of the interchange. Improvements will support safe and reliable travel for non-vehicular traffic including 6' bicycle lanes, 11' wide shared-use paths. 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. All these improvements will provide safer, expanded access for non-vehicular traffic and disabled populations, traveling through the interchange (see additional detail on Page 10).

Moreover, this project will support access for Let'er Bus, which is Pendleton's local transit service, and Kayak Public Transit, which is operated by CTUIR and is the largest rural public transportation provider in eastern Oregon. The primary transfer point for both of Let'er Bus's fixed routes is located on Court Avenue along the northwest part of Southgate Interchange. From there, its [north-east route](#) travels directly through the two primary intersections that would be improved under this project on Court Ave and Emigrant Ave. Similarly, the Let'er Bus [south-west route](#) travels through those same intersections before continuing along Southgate underneath the interstate.

Project improvements will enhance both intersections, Southgate, and surrounding infrastructure, that together will allow for more efficient, safe, and reliable service to transit riders. Moreover, Let'er Bus service will be expanded along the new extension of Perkins Avenue that would be completed under this project, providing transit service to new housing developments along this road while also creating more efficient service for existing riders in this area of the city.

Likewise, the project will also enhance CTUIR's Kayak transit service as detailed on Page 10-11 in the "Safety" section. The construction of the interchange improvements will allow both Kayak and Let'er Bus to enhance transit options through a more direct, safe route, boosting access for transit riders, including tribal members of CTUIR (see "letters of support" including CTUIR, Kayak, and Let'er Bus).

Moreover, this project will support housing affordability by extending SW Perkins Avenue to 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 housing, which is severely limited and a major obstacle to local economic growth in this rural community.

This need was exacerbated by [recent flooding events](#) that damaged or destroyed hundreds of local homes. The City has experienced two catastrophic flooding events in the last three years 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 economically disadvantaged neighborhoods.

Unfortunately, a housing shortage existed even 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 expand housing options and lower costs.

Removes Barriers to Opportunities and Destinations

The reduced traffic congestion and expanded transportation options resulting from the project will significantly enhance access to essential services, employment, and other opportunities.

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, Pendleton Family Medicine, Pediatric Specialists of Pendleton, Pendleton Urgent Care, 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 failures 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. This includes benefits for Kayak Public Transit detailed on Page 10-11.

The Pendleton Police Department, Pendleton Fire Department, and Umatilla Sherriff’s Department all regularly travel through the Southgate Interchange or along I-84 when responding to incidents. 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, homes 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.

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 as detailed on Page 10 in the “Safety” section. Umatilla County, Pendleton Police Department, and Pendleton Fire & Ambulance have provided letters of support (attached “letters of support”).

Addresses Racial Equity

Throughout the planning process, Pendleton and ODOT have proactively addressed racial equity and barriers to opportunity dating back as far as completion of the Interchange Area Management Plan in 2010. As part of the IAMP, a central criterion was “Environmental, Social, and Equity” to “assess the degree to which a concept is compatible with the natural and built environment including environmental impacts and socio-economic impacts.” More recently, an environmental prospectus was completed between ODOT and FHWA that assessed potential impacts to environmental justice communities (attached “Environmental Prospectus”). The prospectus found that “there is no indication that EJ populations would be adversely affected by this project.” The average of Percent Low-Income and Percent Minority for the general project area was found to be 30%, which was comparable to the city at 29%, and the county at 37%. Through project delivery, Pendleton and ODOT will ensure that all populations potentially impacted by the project will be engaged in meaningful involvement above that already completed for the IAMP.

This project represents a partnership between the City of Pendleton and ODOT, which is anticipated to be the project administrator. As explained in the Safety section, the project would directly support ODOT’s Strategic Action Plan for prioritizing diversity, equity and inclusion by identifying and addressing systemic barriers to ensure all Oregonians benefit from transportation services and investments. Equity goals focus ODOT on workforce diversity and opportunities for advancement, expanding economic opportunities for minority groups, climate equity, and creating more representative public engagement processes. Specifically, the project would help achieve these goals by supporting transportation and economic opportunity for rural, underserved, and minority populations, including members of the neighboring Confederated Tribes of the Umatilla Indian Reservation. As stated above, equity will be a central piece to project delivery and meaningful involvement of all populations will continue to be incorporated.

Enhances the Unique Characteristics of the Community

As described on Page 22, Pendleton’s unique identity is shaped in large part around large events and gatherings that it regularly hosts. This includes annual events like Pendleton Round Up, which is one of the nation’s largest outdoor rodeo, as well as Pendleton Whisky Music Festival, which is the largest musical concert in eastern Oregon. Southgate essentially serves as the gateway to Pendleton and is used by virtually all who come to visit and enjoy our community. Providing safe, efficient, and reliable transportation access through this infrastructure is key to Pendleton’s continued health and growth.

Mobility and Community Connectivity

Increases Affordable Transportation Choices and Accessibility for All Users

As discussed in further detail in the “Quality of Life” section above, completion of the Southgate Interchange Improvements Project will increase transportation options in Pendleton by supporting the efficient, reliable flow of public transportation and other traffic between the north and south sides of the city, while also creating opportunities for cycling, walking, and rolling.

Specifically, the project will support Let’er Bus Transit, which is the City’s public transportation service, and Kayak Public Transit, which is operated by CTUIR and is the largest rural public transportation provider in eastern Oregon. Both provide critical service to the community, particularly for low-income individuals who cannot afford other means of transportation, and for members of the tribal community in between Pendleton and CTUIR. See Page 15-16 in “Quality of Life” for more detail on these benefits.

In addition, the project will improve access for pedestrians, bicyclists, and disabled individuals by providing bike and pedestrian facilities currently lacking and curb ramps and handrails designed in accordance with current ODOT Americans with Disabilities Act (ADA) standards. All these improvements will provide a safer, more efficient experience for all modes, including non-vehicular traffic and disabled populations, traveling through the interchange. Please see Page 10 in “Safety” and Page 15 in “Quality of Life” for more detail on these improvements.

Proactively Incorporates Universal Design

The project was designed as part of the Oregon Department of Transportation Blueprint for Urban Design (BUD) Initiative, which seeks to align planning and design work for urban transportation projects, by developing comprehensive design standards and guidance to address the unique needs of urban environments. This effort considers all modes of transportation including public transit, pedestrian, and bicycle, which increase transportation options for vulnerable low-income populations.

Additionally, in Oregon the Bike Bill of 1971 and ODOT's current [Bike/Ped Implementation Plan](#) laid the groundwork for modal shifts and reducing vehicle miles traveled. The Southgate Interchange Improvements Project will achieve both the policies and goals established in these guiding documents. This project will enhance connection across the freeway where one does not exist today, enhancing connections for rural residents, including low-income populations, to jobs and amenities. By creating more efficient routes for passenger and freight traffic and expanding bike and pedestrian options, the project offers opportunity for modal shift in freight or passenger movement to reduce emissions, reduce induced travel demand, and lower greenhouse gas emissions.

Increases Multimodal Freight Movement and Supply Chains

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 failures of the interchange create dangerous congestion backups on this corridor that can delay trucks or cause collisions accompanied by extensive delays and increased shipment costs.

Additionally, US 395 enters Pendleton from other rural communities located south of the city in both Umatilla County and Grant County, Oregon. As discussed in the ensuing "Economic Competitiveness" section, the highway is commonly used for freight shipments delivering timber, finalized lumber products from mills, and 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 and safety hazards along both freight corridors. Once constructed, the I-84/US 395 Southgate Interchange Improvements Project will support freight movement and the supply chain by enabling long-term efficiency needed along I-84 and US 395 for the next 40 years.

Economic Competitiveness

The I-84/US 395 Southgate Interchange Improvements Project will support the long-term economic competitiveness of Pendleton and the greater rural eastern Oregon region 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.

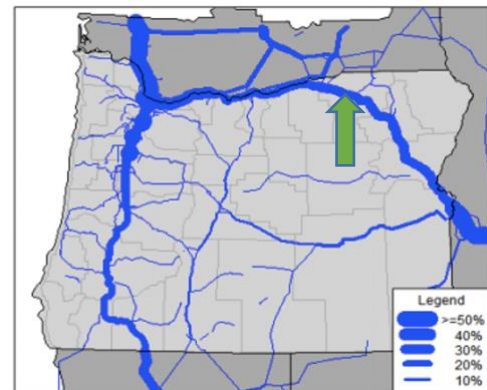
Enhances Reliable Freight Shipment for Regional and National Economic Competitiveness

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. 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. 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.

Despite its importance to facilitating the movements of goods along these freight corridors, the current state of the Southgate Interchange creates dangerous congestion backups that can delay trucks or cause collisions accompanied by extensive delays and increased shipment costs. 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 regional/national freight mobility. 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

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 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. The Oregon Freight Advisory Committee (OFAC) has been a strong supporter of this project (“letters of support”).

Enhances 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 inherited by Pendleton 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 residents 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 employ 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 2019 Transportation Volume Tables](#), Southgate has an Annual Average Daily Traffic (AADT) volume of 28,100 vehicles, while 17,600 vehicles travel along I-84 around the interchange. Of these vehicles, many are individuals traveling to and from employment.

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. The Benefit Cost Analysis for this application found there will be an estimated savings of \$2,816,100 from increased efficiency in the first year of the project, and another \$77,754,686 in savings during the next 19 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, had a pre-pandemic poverty rate of 22% and unemployment rate of 9.9%, which were 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.

Long-Term Economic Growth and Support for Affordable Housing

Well before the pandemic, 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 housing capacity. 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.

In a recent 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 the 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 Amazon, Airbus subsidiary A³, and PAE-ISR.

Pendleton Demand For 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

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 help provide the labor force needed for small, medium, and large employers in the area.

Moreover, the city suffered two recent catastrophic flooding events as describe on page 4-5. 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 RAISE funds will help address these economic challenges by increasing commercial activity and opening new areas for residential and commercial development outside of the floodplain.

Supports Tourism Opportunities

Tourism is fundamental part of the City of Pendleton's community identify and economic wellbeing. Most notably, Pendleton hosts the nationally renowned Pendleton Roundup, which is North America's largest outdoor rodeo. The event attracts 70,000 attendees each year to our rural community, many of whom patronize such downtown restaurants and bars. Likewise, the city also hosts Pendleton Whisky Music Festival, which is the largest musical concert in eastern Oregon, and the Pendleton Bike Week, a multi-day regional event. Outdoor recreation is another key part of Pendleton's tourism economy. National forests, wildlife refuges, and other public lands draw

visitors from urban centers of the state and across the region. In eastern Oregon, [this supports 4,900 jobs and a \\$146 million in GDP](#), with much of that generated in Pendleton’s Umatilla County.

To access events in Pendleton and the area’s public lands, visitors primarily drive along I-84 and/or through U.S. 395, the two highways that meet to form the Southgate Interchange. As such, Southgate essentially serves as the gateway to Pendleton and is used by virtually all who come to visit and enjoy our community. Unfortunately, this interchange regularly fails to accommodate regular levels of traffic, and becomes particularly inadequate during occasions like Pendleton’s large events, causing unsafe backups onto the interstate. Completion of this project will provide safe, efficient, and reliable transportation access, which is key to supporting this vital aspect of Pendleton’s economy and the city’s continued health and growth.

Good-Paying Jobs Through Project Delivery

The project will voluntarily be completed with adherence to the CTUIR Tribal Employment Rights Ordinance (TERO), which gives preference to qualified American Indians in all aspects of employment, contracting, and other business activities. The TERO provides that there will be at least 25% Indian employment for federal projects this close to the reservation. The TERO essentially serves as a labor hall and will refer employees from their office to work on this project. TERO is designed as a notification and cooperation system with unions to target enhanced level of union involvement in projects like this.

The project will also prioritize Disadvantaged Business Enterprises (DBE) in all contracting, while also incorporating On the Job Training (OJT) for workers and personnel involved in the project. As part of this project delivery, contract requirements will include apprenticeship programs subsidization of a certain portion of OJT. Financial incursions will be instituted if those benchmarks are not met. ODOT will also deliver the project in line with federal and state wage laws, providing the higher of the two.

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.

Addresses System Vulnerabilities by Restoring and Modernizing Core Infrastructure

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 described on Page 9 of the “Safety” section, 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. Under the proposed improvements, the analysis showed that the V/C ratio would be dramatically reduced to a score of 0.62, which would satisfy long-term demands for this facility.

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 southernly 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. As previously documented, these improvements will serve an underserved rural area, including low-income populations and tribal members who reside in Pendleton.

Maintains Assets in a State of Good Repair

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. Both partners 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.

Partnership and Collaboration

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 and involvement of residents, businesses, and local partners. This is further detailed in the “Public Engagement” section on Page 28-29. As the project moves forward, information will be made publicly available online so residents and stakeholders can stay engaged throughout the implementation process.

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 RAISE grant funds are awarded. Moreover, Umatilla County will contribute an additional \$250,000. The project also has strong support from the local community including the following organizations that have provided letters or resolutions in support that are submitted with this application or forthcoming (see “letters of support” and the [supporting materials website](#)).

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

Additionally, 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).

The prospectus found that “there is no indication that EJ populations would be adversely affected by this project.” Moreover, while EJ populations may not occur in or proximal to the project area, ODOT will ensure that all populations potentially impacted by the project would be engaged in meaningful involvement above that already completed during development of the IAMP. As part of this, the project has been designed to avoid taking right of way that would be detrimental to community cohesion. More detail is available on Page 28-29 and in the attached “Environmental Prospectus.” A ROW plan is detailed on Page 28.

Finally, this project is a central component of economic and housing development for the community. Specifically, the proposed extension to SW Perkins Avenue will provide new access to existing developed areas and approximately 100 acres of undeveloped residential zoned land as discussed on Page 2. This project has also been designed to support access to public transportation and other alternative modes of transportation (see the “Quality of Life” and “Mobility” sections for more detail).

Innovation

Innovative Technologies

The project will 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. Moreover, the project will use ATC controllers, which will allow for dynamic signals and compatibility with autonomous and interconnected vehicles.

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. Due to Pendleton and ODOT’s prior investments into readying this project, design is at 75% complete, and FHWA has completed an “Environmental Prospectus” (attached) that found the project will qualify for a Categorical Exclusion, helping speed delivery of this project if awarded.

Innovative Financing

Knowing that the Department of Transportation has limited available federal grant funds under the RAISE program, the City of Pendleton and ODOT are each committing \$2 million, providing the remaining \$4 million needed to complete the project. 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 of \$3.15 million.

The State of Oregon 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 \$1 billion per fiscal year for state highways. ODOT has also pioneered a pilot program for an alternate Vehicle Miles Traveled tax.

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 anticipate obligation over a year before the September 30, 2026 obligation deadline. Construction should be completed by the end of 2028, over two years before the liquidation deadline of September 30, 2031. The City of Pendleton and ODOT will work to acquire all rights-of-way expeditiously once the RAISE 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.

Year	2023				2024				2025				2026				2027				2028			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Permitting / NEPA	█																							
Final Design	█				█																			
ROW Acquisition		█			█																			
Procurement																								
Construction													█											
Start of Operations																								

Anticipated Obligation (star icon) is located in the Q2 2025 cell of the ROW Acquisition row.

Start of Operations (star icon) is located in the Q4 2028 cell of the Start of Operations row.

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. As a result, design is about 75% complete, allowing for 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 in the last two months as survey and preliminary engineering have developed with the \$1 million, design only, current ODOT STIP project. These estimates have been carefully crafted to avoid cost overruns.

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, and 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).

Right-of-Way Acquisition Plans

This project has been designed to minimize right-of-way (ROW) acquisition and impacts on residential and business displacements, including consideration of Environmental Justice populations through EJ Screen. For the acquisition that is necessary, ODOT and Pendleton have coordinated with those property owners and affected individuals. Owners will be offered just compensation for the required ROW. Just Compensation includes the estimated value of all the land and improvements within the needed area. In addition, if only a part of a property is to be acquired, just compensation would also include any measurable loss in value to the remaining property due to the partial acquisition. Project planning and ROW acquisition is anticipated to be completed by mid to late 2025. See the attached “Environmental Prospectus” for more detail.

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”).

As stated earlier, FHWA has completed an environmental prospectus that utilized EJ Screen and found that “there is no indication that EJ populations would be adversely affected by this project.” Moreover, the prospectus stated that while EJ populations may not occur in or proximal to the project area, ODOT will ensure that all populations potentially impacted by the project will be engaged in meaningful involvement above that already completed during development of the IAMP. As stated in the prospectus, “Outreach and engagement would focus on relaying the project’s effects to and getting input from the community about project impacts, particularly regarding mobility and access impacts during construction...to implement a robust public engagement effort.”

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 have 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 RAISE funds. The project will be quickly incorporated into the STIP with the awarding of the requested RAISE 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 RAISE funds are awarded.

Risk Mitigation Table

Risk Description	Assessment	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.
Cost Overruns	ODOT has completed extensive budget analysis and projection during the application period to account for recent cost escalations. A higher than normal 24% contingency risk factor was included to safeguard against price escalations.	Low	Budget includes a contingency level to account for rising costs. Escalations beyond the budget will be addressed by project modifications or pursuing other funding sources.

Benefit Cost Analysis

The Benefit Cost Analysis was conducted to the best standard possible using the U.S. DOT's *Benefit-Cost Analysis Guidance for Discretionary Grant Programs*, March 2022 guidelines. The detailed cost and benefit assumptions are provided in the BCA submitted with this application. Appropriate data for project-level benefit-cost analysis purposes is limited for this project. Even despite the unavailability of the data required to fully encapsulate the benefits of this project into the BCA, the results of the analysis indicate a positive B-C ratio of 2.25:1 at a 7 percent discount rate.

BENEFIT: COST ANALYSIS SUMMARY (7% Discount)	
PV of Capital Costs	(\$29,698,344)
PV of Benefits (Total)	\$66,729,186
PV of State of Good Repair	\$273,200
PV of Economic Competitiveness	\$58,152,820
PV of Quality of Life	\$1,176,483
PV of Environmental Sustainability	\$769,126
PV of Safety	\$2,368,431
PV of Residual Value	\$4,064,406
PV of Additional Maintenance	(\$75,280)
PV of Cost to Highway Users	\$0
Net Present Value	\$37,030,842
Benefit to Cost Ratio	2.25:1