

Application to the 2019 U.S. DOT BUILD Discretionary Grant Program

Southgate Interchange Reconstruction and Improvement Project



Project Title:	Southgate Interchange Reconstruction and Improvement Project
Location:	City of Pendleton, Oregon
Urban/Rural:	Rural
Project Type:	Road – New Capacity
Applicant:	Oregon Department of Transportation
Applicant Type:	State Department of Transportation
BUILD Request:	\$25,000,000
Non-Federal Match:	\$4,000,000 (14%)

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

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Project Description

The Oregon Department of Transportation (ODOT) and the City of Pendleton are requesting \$25,000,000 in BUILD funds of a total \$29,000,000 cost to complete the Southgate Interchange Reconstruction and Improvement Project. This project will reconstruct the Southgate Interchange along Interstate 84, transforming it from a facility that has outlived its service life and design capacities into an asset that provides 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 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 US Interstate 84 (I-84) and Southgate (US Highway 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, and freight traffic transported through each of these corridors. I-84 is the most important east-west route for the movement of freight in Oregon, and US 395 is a major regional freight route serving eastern Oregon. However, the current proximity of the interchange to the westbound ramp terminals of Exit 209 on I-84, coupled with high traffic flow and topographical challenges, often create vehicle traffic back onto the Interstate and along the highway, preventing traffic from safely flowing between the two routes and local streets through Pendleton.

BUILD funds will be used to complete reconstruction of the Southgate Interchange, which will reduce congestion; ensure safe travel of freight, automobile, pedestrian, and bicycle traffic; and spur economic development throughout the corridor. While this project easily meets rural qualifications under the BUILD grant criteria, and no non-federal match is required, the City of Pendleton and the State of Oregon are each contributing \$2,000,000 for a total of \$4,000,000 in collective matching funds with the hope of making this severely needed proposal a reality.

Project Components

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

Northside Interchange Improvements

The project will provide reconstruction of the interchange on the north side of Interstate 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 and provide additional capacity for state and local streets, provide signalized intersection and capacity upgrades for a local intersection, and provide access control to state highway and local streets. As a result, traffic will be able to 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

The City of Pendleton and State of Oregon have already committed \$1,000,000 in funds for preliminary surveying and design work that is currently underway and will enable prompt delivery of the project if awarded. Previously, the State of Oregon has 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 Interstate 84 and interchanges with the US 395 Southgate corridor.

Perkins Road Extension

The second component of this project would extend SW Perkins Avenue, an existing local street southeast of the Southgate Interchange. As identified in the [I-84/US 395 Interchange Area Management Plan](#), a second southerly connection from Southgate to Tutuilla Road was recommended to provide an alternative east-west connection for community traffic to avoid and alleviate pressure on the intersection near the Interchange. Construction to extend this local street over 1,800-feet will offer a completed route for the southeast area of Pendleton which is currently only served through the Southgate and Tutuilla Road intersection, directly south of the Interchange. An extended SW Perkins Avenue will also provide access to over 100-acres of undeveloped commercial and residential-zoned land, in addition to existing developed areas, offering a drastically more efficient connection to the southwest area of Pendleton. The City has previously invested about \$60,000 for Federal Aid ready design this component.

Rural Benefits

The Southgate Interchange Reconstruction and Improvement 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 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, the local community and use of the Interstate has developed substantially since its initial construction. As a result, the topographical location design path of the Interstate and interchange has left the City with a significant physical barrier separating residents on the north and south side of the Interstate from essential services, employment centers, commercial areas, and regular daily destinations.

In addition to increasing access for residents, this project will enhance the safety of the local community and additional passenger and freight traffic traveling through Pendleton by addressing dangerous backups resulting from current limitations of the Interstate and Southgate Interchange. The Southgate Interchange Reconstruction and Improvement Project will significantly improve the quality of life for residents in Pendleton and neighboring areas.

Project History

Due to the significant capacity limitations of the Southgate Interchange and the benefits that would result from its reconstruction, the City of Pendleton and Oregon Department of Transportation (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 backing beyond the westbound and eastbound ramp terminals to I-84. Measurements of traffic volume exceeded expectations and all triggers were quickly surpassed, indicating a severe need for reconstruction of the Interchange.

In addition to the \$4,000,000 local match towards construction of the improvements, the City and State of Oregon have already funded about \$1,590,000 for current survey and design work to prepare for north side interchange improvements, preliminary survey work for improvements related to the corridor along Highway 395 (Southgate) on the south side of the Interstate, and federal aid ready bid documents for SW Perkins Avenue. Because of this investment, the preliminary design work for the project will be completed before BUILD funds are awarded, positioning this project for prompt delivery once funding is secured.

The State also invested roughly \$1,200,000 in an intermediate improvement for a signalized intersection for the eastbound off-ramp. Finally, ODOT has invested \$890,000 in pavement and accessibility improvements within the confluence of US 395 and Interstate 84, bringing the total non-federal investment to roughly \$3,150,000. 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 in the foreseeable future without federal investment.

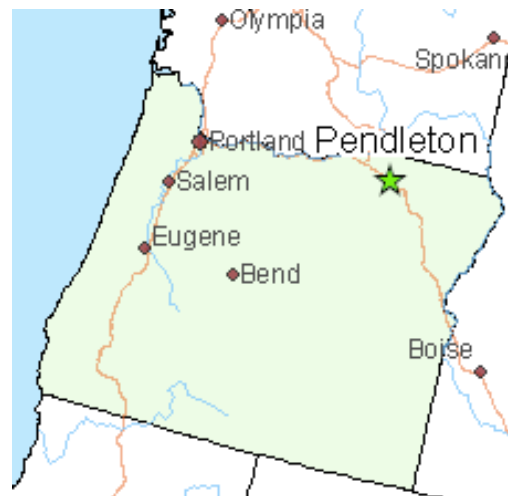
City of Pendleton and ODOT Previously Completed Projects			
Entity	Project Name	Description	Investment
City	SW Perkins Street Project	Federal Aid ready design	\$60,000
ODOT	US395: Pendleton Interchange Ramps	Signal at EB off ramp	\$1,200,000
ODOT	I-84/US395 Interchange Improvements	Phase 1 design of 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

Project Location

The proposed Southgate Interchange Reconstruction and Improvement project will be constructed entirely within the rural community of Pendleton, Oregon. With a population of 16,810 at the 2010 census, 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 County's economy is primarily based on irrigated high-value agriculture.

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

The City of Pendleton is located directly along the major freight corridor of U.S. Interstate 84. 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, 1960s-era design represents a major logistical and economic obstacle for the City's growth. The Southgate Interchange is located at the center of Pendleton, and is the critical connection for the north and south sides of the community that are divided by the presence of the freeway.



US 395 (Southgate) approaches the City from the south and becomes a five-lane facility as it travels through the I-84 interchange towards the downtown center of the City. The original 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 UAS Test Range, an FAA-designated site that continues to grow rapidly with the attraction of the nation’s leading UAS technology innovators including Airbus subsidiary A^3. 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 outdoor rodeos in North America each year, and leading employers like Keystone RV, Pendleton Woolen Mills, and the Eastern Oregon Correctional Institution. Several of these employers, like Keystone RV, have stated their desire to hire additional employees but lack the supply due to the need for additional residential housing, a key benefit of the proposed project. Pendleton Economic Development’s latest findings show at least 386 positions are available, but cannot be filled due to the lack of open residences for potential employees.

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



North Side of Interstate 84 along Southgate

On the south side of the Interstate, Southgate Avenue provides connections to residential and commercial areas, before continuing on as US 395 towards 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.



North and South Side of Current Southgate Interchange

SW Perkins Avenue connects to Southgate Avenue south of the primary interchange, providing a connection to residential areas to the southeast. Over 100 acres of unused, commercial and residential-zoned acreage lie along the proposed route. Under the project, SW Perkins Avenue would be extended to the east towards Tutuilla Road, which is currently the primary connection from the southeastern area of Pendleton to the Southgate Interchange. As a result of extending SW Perkins Avenue to Tutuilla Road, an additional east-west connection would be created that would alleviate pressure on the interchange while providing alternative access to businesses, homes, the middle school and sorely needed commercial/residential zoned areas within Pendleton that cannot be developed without such an access road.



Proposed Extension of SW Perkins Ave

Grant Funds, Source and Use of all Project Funding

The Oregon Department of Transportation (ODOT) and the City of Pendleton are requesting \$25 million in BUILD grant funding. The total cost of the Southgate Interchange Improvement and Reconstruction Project is \$29 million. While this project easily meets rural qualifications under the BUILD grant criteria, and no non-federal match is required, the City of Pendleton and the Oregon Department of Transportation are each contributing \$2,000,000 in non-federal matching funds to make this severely needed proposal a reality. A resolution from the City of Pendleton council unanimously approving this funding (“Pendleton Financial Commitment”) has been submitted as part of this application and is included in the [supporting documents website](#). By submitting this application, ODOT is committing its matching share of \$2,000,000 towards the project upon the awarding of BUILD funds

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.

In addition to the \$4,000,000 local match towards construction of the improvements, the City and State of Oregon have already funded or obligated over \$1,590,000 for current survey and design work to address construction and ROW needs for Phase I; preliminary survey work for Phase II and Phase III related to the corridor along Highway 395, Southgate; and federal aid ready bid documents for SW Perkins Avenue. The State also invested roughly \$1,200,000 to make an [Oregon Department of Transportation](#) | Southgate Interchange Reconstruction and Improvement Project

intermediate improvement for a signalized intersection for the eastbound off-ramp. Finally, ODOT has invested \$890,000 in pavement and accessibility improvements within the confluence of US 395 and Interstate 84. This brings the total non-federal investment to about \$3,150,000. 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.

Funding for the project is outlined in the budgets below:

Funding Source	Total (\$)	Percent of Total
City of Pendleton	\$2,000,000	7%
Oregon Department of Transportation	\$2,000,000	7%
Subtotal - Non-Federal Matching Funds	\$4,000,000	14%
Federal BUILD Grant Funds	\$25,000,000	86%
Other Federal Funds	\$0	0%
Subtotal - Federal Funds	\$25,000,000	86%
Total	\$29,000,000	100%

Project Budget by Component and Funding Share							
	Total Cost	BUILD Funds		Pendleton		ODOT	
	\$	\$	%	\$	%	\$	%
Interchange Improvements	\$26,000,000	\$22,413,793	86%	\$1,793,101	7%	\$1,793,103	7%
Perkins Avenue Extension	\$3,000,000	\$2,586,207	86%	\$206,897	7%	\$206,897	7%
Total Project	\$29,000,000	\$25,000,000	86%	\$2,000,000	7%	\$2,000,000	7%

Project Budget by Phase of Work and Funding Share					
Component	Total Cost	BUILD Funds		Non-Federal Funds	
		Dollars	%	Dollars	%
Engineering	\$1,400,000.00	\$ 1,206,896.00	86%	\$ 193,104.00	14%
Utilities/ROW	\$8,900,000.00	\$ 7,672,414.00	86%	\$1,227,586.00	14%
Construction	\$18,700,000.00	\$ 16,120,690.00	86%	\$2,579,310.00	14%
Roadway	\$11,770,000.00	\$ 10,146,552.00	86%	\$1,623,448.00	14%
Structures	\$560,000.00	\$ 482,759.00	86%	\$ 77,241.00	14%
Earthwork	\$1,050,000.00	\$ 905,172.00	86%	\$ 144,828.00	14%
Const. Engin.	\$1,580,000.00	\$ 1,362,068.00	86%	\$ 217,931.00	14%
Contingencies	\$3,740,000.00	\$ 3,224,138.00	86%	\$ 515,862.00	14%
Total	\$29,000,000.00	\$ 25,000,000.00	86%	\$4,000,000.00	14%

Merit Criteria

Safety

The Southgate Interchange Reconstruction and Improvement project will address severe safety hazards of a failing interchange by providing the infrastructure enhancements needed to reduce the number and likelihood of dangerous collisions.

The most recent yearly data available from ODOT shows that there was a total of 40 crashes along this stretch of Interstate-84 with 1 fatality, 18 non-fatal injuries, and 21 property damage only collisions. On US 395 within the project area there were a total of 62 crashes with 21 non-fatal injury and 41 with property damage only. Completion of the project will help ensure safe travel for residents of Pendleton's rural community and thousands of freight and passenger vehicles traveling through the community along Interstate 84 and US 395 by eliminating an estimated 31 percent of all collisions in the area.

Southgate currently facilitates the daily movement of over 28,500 vehicles through Pendleton's rural community, while I-84 facilitates 16,900 daily vehicles along this stretch according to the [Oregon Department of Transportation's 2017 Transportation Volume Tables](#). Among these vehicles on the Interstate, ODOT estimates that 49 percent are freight vehicles. As a major federal highway, both passenger and freight vehicles on Interstate 84 are traveling at speeds of 65 miles per hour when they encounter traffic backflows from vehicles trying to utilize the off-ramps on both the westbound and eastbound lanes. This creates a major safety hazard which stems directly from the current construction of the Southgate Interchange.

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

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

Completion of the project will also widen Southgate to better facilitate north-south traffic, allowing westbound on and off-ramp traffic to flow more continuously into Southgate. This will enhance safety for Interstate traffic, by reducing congestion and lessening off-ramp traffic

[Oregon Department of Transportation](#) | Southgate Interchange Reconstruction and Improvement Project

backups onto the freeway. Intersection signals will be equipped with traffic cameras to regulate traffic most efficiently, eliminating dangerous backflows and congestion throughout the intersections with Southgate.

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

The proposed project will help prevent incidents involving hazardous materials by making improved safety enhancements along both I-84 and US 395. The likelihood of one of these incidents occurring within Pendleton will be greatly reduced by avoiding traffic backups onto the Interstate and reducing overall congestion.

Additionally, the project will enhance safety for pedestrian and bicycles traveling along Southgate. As described in the Pendleton Police Department's attached letter of support, the morning and afternoon/evening commute brings the area to a virtual standstill, causing frustrated drivers to make unlawful and/or dangerous maneuvers. This creates unpredictable hazards for other vehicles as well as pedestrians and bicyclists traveling through crosswalks. Completion of the project will create a controlled crossing that ensures the safety of pedestrians, bicyclists, and vehicles.

Finally, the extension of Perkins Avenue will alleviate traffic pressure on the confluence of US 395 and I-84 by offering an alternative east-west connection south of the interchange. Doing so will reduce the number of vehicles traveling through highly congested areas where the risk of accidents is significantly higher.

State of Good Repair

The Southgate Interchange Reconstruction and Improvement 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. We estimate that completion of the proposed project will provide a transportation solution for this interchange for the next 40 years.

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

In recognition that reconstruction of the Southgate Interchange is the most significant transportation need within the Pendleton region, the Pendleton City Council adopted the [I-84/US 395 Interchange Area Management Plan \(IAMP\)](#) in 2010. This plan specified the need for reconstructing the Interchange once traffic volume triggers were met, which have all been far

surpassed by now. 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.

Ensures Future Transportation Efficiency by Addressing Current Needs

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

As a result of inadequate infrastructure on the north side of I-84, freight and passenger vehicles exiting the westbound off-ramp are frequently backed up onto the Interstate, while vehicles seeking to enter westbound lanes of I-84 are significantly delayed by interchange congestion. Among these vehicles are logging, agricultural produce, and other freight vehicles arriving through US 395 from areas south of Pendleton. Furthermore, local vehicles need to pass through Southgate under the Interstate to access residential and commercial areas to the south, and essential services and employers north of the Interstate. All these vehicles face significant delays due to failures of the interchange, which prevents the transportation network from operating efficiently. Residents routinely travel significant distances to avoid the Interchange, which places even more burden on residential streets. Additionally, 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 operational analysis conducted by ODOT, which found severe failures within the interchange on and off-ramps as well as adjacent intersections. At the 20th Street and SE Court Avenue intersection that would be improved through this project, the analysis showed a current Volume/Capacity (V/C) ratio of 1.46. With any score over 1.0 showing exceeded capacity, this intersection has a current Level of Service grade of F because of its inability to meet current capacity demands. Moreover, the V/C ratio is projected to reach 2.04 within 20 years, showing even worse failures if the intersection is not improved. The analysis showed that the V/C ratio would be improved to a 0.62 under the requested improvements, making a vast improvement that would satisfy long-term demands for this facility.

Appropriately Capitalized and Designed for Long-Term Maintenance Cost Optimization

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

The City of Pendleton and ODOT have thoroughly analyzed the long-term needs for operations and maintenance. With completion of this project enabled by the requested BUILD grant,

lifecycle costs will be renewed providing savings from avoiding current 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 from 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 about 5/8ths of the total cost of City Police and Fire/Ambulance services. The City is currently developing a Street Utility Master Plan to better identify the true cost of maintenance, deficiency in funding, and alternatives to create long-term funding.

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

Economic Competitiveness

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

Enhanced Rural Employment Access

When the federal highway system was constructed in the 1960's, Interstate 84 was laid 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. Currently, major employers in Pendleton are largely located north of the Interstate and separated from large residential areas to the south. Traveling to employment opportunities requires most Pendleton residents to travel through the Southgate Interchange area or travel significant distances to the east or west of the interchange to avoid its congestion delays. The existing interchange design funnels traffic through a narrow valley underneath a bridge supporting the Interstate. As a result, traffic flow becomes severely congested underneath the Interstate, creating significant hurdles between residents and their access to employment.

The homes of Pendleton's 16,810 resident are fairly evenly divided between the north and south side of Interstate 84, while major employers are also dispersed on either side. On the north side, leading employers such as Keystone RV provides 730 jobs, Eastern Oregon Correctional Institute provides 424 jobs, and Blue Mountain Community College provides 170 jobs in addition to the primary commercial district in Pendleton's downtown core with smaller employers. Meanwhile, major employers on the south side like St. Anthony Hospital employ 325, Interpath Laboratory employs 180, and Pendleton School District employs 129 individuals. Accessing these jobs from the other side of the Interstate frequently requires traveling through the Southgate Interchange

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

Furthermore, U.S. Census Data shows that at least 3,852 jobs in Pendleton are held by residents outside City limits, while at least 3,041 Pendleton residents travel outside the City for employment. Accessing these jobs almost always requires accessing the Interstate, if not direct travel through the Southgate Interchange. According to [ODOT's 2017 Transportation Volume Tables](#), Southgate facilitates the travel of an Annual Average Daily Traffic (AADT) volume of 29,300 vehicles, while 16,900 vehicles travel along Interstate 84 around the Interchange. Of these vehicles, many are individuals traveling to and from employment.



Inside/Outside City Employment Travel per US Census data

Construction of the proposed project will improve traffic flow to provide a seamless connection for area residents to employment opportunities on the north and south side of the City. Additionally, vehicle backups onto the Interstate from off-ramp traffic will be eliminated, removing a hazard and delay for vehicles traveling along the Interstate. ODOT's Prepared Benefit Cost Analysis for this application found that an estimated savings of \$2,154,380 from increased efficiency will be produced in the first year of the project, with \$27,765,264 produced in the next 18 years of the improvements.

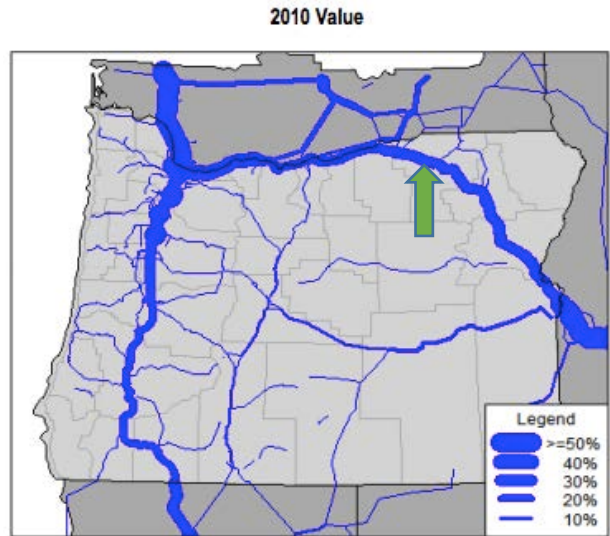
Furthermore, this project will support the access to a federally designated Opportunity Zone on the east side of Pendleton. This area, census tract 41059940000, has a poverty rate of 22% and unemployment rate of 9.9%, which are both well above the national average. Interstate 84 provides direct access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

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

Among the 16,600 vehicles traveling along Interstate-84 each day, ODOT estimates that 49% are freight vehicles. The [Oregon Freight Plan](#) also found that Interstate 84 facilitates half of the industry output freight movement in the entire State. However, the current configuration of the

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

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



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

Long-Term Economic Growth and Job Creation

Leading employers within Pendleton have stated a desire to expand the number of employees only to find an insufficient labor force within Pendleton due to a lack of residential opportunities. Pendleton currently has an occupancy rate of over 99%, with extremely limited vacancies and opportunities for development of new homes and rental properties. In a 2018 survey with public and private employees in the area, Pendleton Economic Development has determined at least 386 positions are available 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.

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

The proposed extension of Perkins Avenue will provide access to over 100 acres of undeveloped residentially and commercially zoned land southeast of the Interchange. 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 infrastructure access needed for residential development. As a result, Pendleton is confident that this development would provide an expansion of the labor force needed for small, medium, and large employers in the area.

Enhancing Freight Shipment for Regional and National Economic Competitiveness

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

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

Improvements to this interchange are especially important considering demands for increased freight shipments through the Interchange from US 395 to I-84 with more freeway length trucks. Various entities like the remaining lumber mill in the City of John Day (approximately 130 miles south of Pendleton) have sought the ability to ship wood chips on standard freeway length commercial vehicles (WB67 - 75 ft length with a 53 ft trailer) to remain competitive in their markets. 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 lower end of the US 395 corridor. ODOT has allocated \$500,000 in the 2018-2021 STIP to start design on a project to fix the roadway geometry for the most challenging section of this road. When that project is funded for construction, it will open the corridor to freeway length vehicles and improve the economic competitiveness of those counties with more efficient transportation of goods. However, these trucks will be traveling through the Southgate Interchange, which is already failing to operate sufficiently.

The improvement of this interchange will enhance the efficiency of the movement of freight on both Interstate 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 to regional economy and broader U.S. economy by enhancing the movement of freight on the regional highway system. In recognition of these benefits, the Oregon Freight Advisory Committee (OFAC) has provided a letter of support for this project that is attached with this application in "letters of support."

Environmental Sustainability

Reductions in Energy Use and Emissions

Completion of the project will result in greater energy efficiency and reduced emissions throughout various freight and passenger uses of the Interchange. By relieving significant congestion, the project will reduce fuel consumption and resulting harmful emissions such as VOC's, NOx, CO2, and particulate matter. Specifically, it is estimated that in the first year of this project fuel costs will be reduced by \$70,613. In addition to emissions reductions and reduced fuel imports, the project will result in roughly \$1 million in environmental benefits over the first 20 years of operations following completion of the project.

US Highway 395 is a state highway that is heavily used by trucks carrying large freight hauls including timber and wood products to and from mills south of Pendleton and agricultural products such as wheat and fruit. In addition to passenger vehicles, Southgate facilitates an Annual Average Daily Traffic volume of 29,600 vehicles according to [ODOT's 2017 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 Interstate-84. These delays lead to unnecessary fuel consumption and emissions for vehicles.

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



Log Truck Like Those Frequently Seen on US 395

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

Furthermore, residents and businesses within southeast Pendleton must utilize Tutuilla Road to access north and west Pendleton as it is the only east-west connecting road to Southgate. This route takes vehicles north to the Interchange on the south side of the Interstate and can be drastically inefficient for residents seeking to travel to common destinations in southwest Pendleton such as St. Anthony Hospital, Pendleton Middle School, and commercially developed

areas. The proposed extension of Perkins Avenue will provide an alternate, more direct route to these areas for residents and school buses in southeast Pendleton. As a result, it is estimated that miles driven will be reduced by at least 2 miles per trip amount for many area trips with a resulting reduction of fuel use and emissions.

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

Additional Environmental Benefits and Protections

The Southgate Reconstruction and Improvement 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 of 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.

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

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

Quality of Life

Increases Local Transportation Choices

Whether residents of Pendleton live on the south or north side of Pendleton, they must continually travel through the Southgate Interchange to access jobs, health care, stores, and other regular destinations. 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 crossings under the Interstate in order to avoid these delays. Reconstruction of intersections on the north and south side of the Interstate, as well as the extension of Perkins Avenue, would drastically minimize any delays for traffic traveling toward or away from connector roads to the downtown core of Pendleton, allowing residents to freely travel throughout the City and efficiently reach their destination without having to avoid congestion from the Interstate.

Furthermore, extending Perkins Avenue would provide an alternative east-west connection south of Interstate 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.

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 development in the southeast part of the City that is forced to use the congested Southgate Interchange for virtually all traffic destinations. Pendleton Middle School is located in southeast Pendleton while homes are dispersed on either side of the Interstate, and the High School is on the north side. This new connection would provide buses more direct routes to homes, alleviating a significant pressure on the Interchange following the end of the school day. In recognition of these benefits, a letter of support from the Pendleton School District is attached to this application as "letters of support" and available on our [application website](#).

Expands Rural Access to Essential Services

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

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

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

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

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

Both the Pendleton Police Department and Pendleton Fire Department have provided letters of support, which are included as part of this application as “letters of support.”

Improves Rural Connectivity to Critical Destinations

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

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

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 golf course. Including the Confederated Tribes of the Umatilla Indian Reservation adjacent to Pendleton, Umatilla County is home to approximately 76,000 people. A large number of CTUIR individuals reside within the City of Pendleton, including an estimated one fourth 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 towards CTUIR.

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

Innovation

Innovative Technology

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

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

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. Together, we are dedicated to implementing this project in the most efficient manner possible within our logistical abilities.

Innovative Finance

Knowing that the Department of Transportation has limited available federal grant funds under the BUILD program, the City of Pendleton and the Oregon Department of Transportation will each be providing \$2 million to cover the remaining \$4 million needed to complete the project. The City of Pendleton is obligating funding from its existing Street Fund, which is primarily funded from fuel tax shared revenues. ODOT matching funds are derived from state funding sources for Region 5, Eastern Oregon.

In addition, the project will capitalize on a previous investments into the Interchange Area Management Plan and other preliminary work or temporary management measures for the Interchange. Together, the City and State of Oregon have already committed \$1,000,000 in funds [Oregon Department of Transportation](#) | Southgate Interchange Reconstruction and Improvement Project

for preliminary surveying and design work currently underway for these improvements. This work will be complete by the time BUILD funds would be awarded to enable prompt delivery of the project. Previously, the State of Oregon has 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 Interstate 84 and interchanges with the Highway 395 Southgate corridor, bringing the total previous investment to \$3.15 million.

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

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

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

The Oregon Legislature also affected the City's home rule in 2009 by restricting the City's ability to pass a local gas tax by City Council action. Prior to 2009, the City of Pendleton successfully used the gas tax to fund local match for federal dollars, but after the Legislature's action, cities in Oregon are required to gain ballot approval by local citizens before imposing a local gas tax. Pendleton has sought to establish an ongoing gas tax to fund street maintenance, but has yet to have success in gaining voter approval. Currently, the City of Pendleton receives Federal funding under a Working Agreement under which the State shares federal highway funds with cities, counties and small metropolitan planning organizations and State gas tax funding in accordance with legislatively determined distribution formulas.

Partnership

As the top transportation infrastructure priority for the area, the Southgate Interchange Reconstruction and Improvement Project is strongly supported by a wide base of local and

regional partners. Planning and design of this project has resulted from close coordination between the City of Pendleton and ODOT with input from Umatilla County. The City of Pendleton and ODOT coordinated to complete and adopt the [I-84/US 395 Interchange Area Management Plan in 2010](#), which involved extensive public outreach to residents, businesses, and local partners.

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

In addition to ODOT and the City of Pendleton, the project has strong support from the local community including the following organizations that have provided letters or resolutions in support that are submitted with this application or forthcoming. These are attached as “letters of support.”

- Umatilla County
- Pendleton Police Department
- Umatilla County Sheriff's Office
- Pendleton Fire Department
- Pendleton Public Works Department
- Pendleton Chamber of Commerce
- Oregon Transportation Commission
- Oregon Freight Advisory Committee
- Office of Governor Kate Brown (Regional Solutions)
- Greater Eastern Oregon Development Corporation (GEODC)
- Blue Mountain Community College
- Pendleton School District
- St. Anthony Hospital
- Mid Columbia Bus Company

All referenced documents and additional forthcoming letters of support are also available on the [supporting materials website](#).

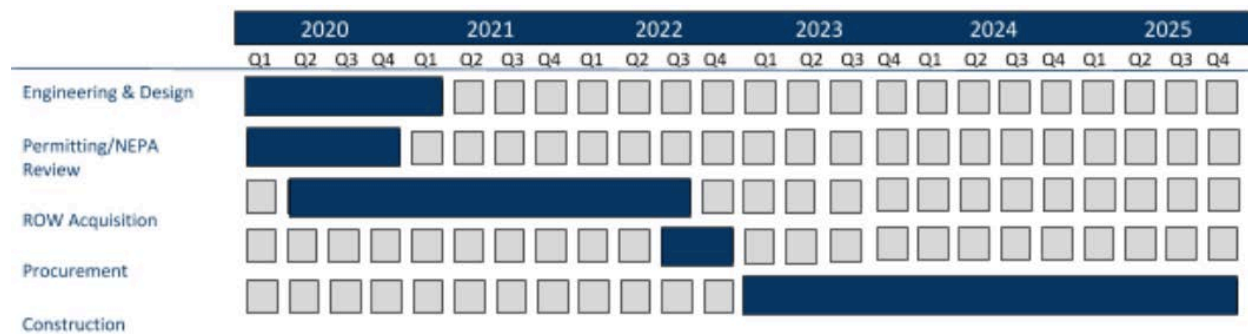
Project Readiness

Technical Feasibility

Preliminary designs, probable construction methods, and cost estimates have 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](#). Cost estimates provided in this application have been analyzed and completed to account for inflation and other changes since the original finding.

Project Schedule

The following project schedule outlines the dates by which the City of Pendleton and ODOT plan to complete each aspect of the project. As shown, we are confident that we can obligate all funding by September 30, 2021, and complete construction in 2025, well before the deadline of September 30, 2026. The City of Pendleton and ODOT will work to acquire all right-of-ways expeditiously once the BUILD grant is awarded, capitalizing on previous work already completed as part of the [Interchange Area Management Plan](#). This will all be completed in accordance with 49 CFR part 24, 23 CFR part 710, and other applicable legal requirements. Moreover, the City of



Pendleton and State of Oregon have already committed \$1,000,000 in funds for preliminary surveying and design work that is currently underway for these improvements. This work will be complete by the time BUILD funds would be awarded to enable prompt delivery of the project.

Required Approvals

Environmental Permits and Reviews

National Environmental Policy Act (NEPA)

Because the project is located within previously developed land and no environmentally sensitive areas are within the project area, no significant impacts will result from the construction and operation of the project. ODOT has already had discussions with FHWA environmental section regarding the classification. Based on typical review times, the City and ODOT expect the project to qualify for a Categorical Exclusion from the NEPA review process by the end of 2020.

Reviews, Approvals and Permits by Other Agencies

No other federal, state, or local environmental reviews or actions from other agencies will be required to complete this project. No wetlands, habitat, or other environmentally sensitive areas will be impacted. Construction will take place only within the City’s developed and zoned land, so no environmental mitigation measures are necessary. 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 has ensured that no environmental or other public resources will be negatively affected by completion and operation of the project.

Environmental Studies, Federal Agency Collaboration, and Public Engagement

While there are no environmental documents to provide at this point, the City of Pendleton and ODOT have coordinated with the regional office of the Federal Highway Administration 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.

ODOT and the City of Pendleton have gone to great lengths to design this project with input from local residents and stakeholders to make sure 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 that solicited input from community members. The City sought to involve the local community, so that residents were aware of potential designs and why certain designs may be preferred over others. As part of this process, the City held multiple open houses to visit with the public in addition to public hearings before the Planning Commission and City Council before it was adopted.

State and Local Approvals

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

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

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 Southgate Interchange Improvement and Reconstruction 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 project 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 Southgate Interchange Reconstruction and Improvement Project is low-risk and 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. Outside of attaining the funding from the BUILD program, the City and ODOT’s analysis and planning process has not shown any serious obstacles that pose a threat to completion of this project.

Risk Mitigation Table

Risk Description	Risk Assessment	Risk Level	Mitigation Plan
Environmental: potential for additional permitting if work is required in environmentally sensitive areas	Project is located within previously developed land and transportation corridors. Potential widening of Southgate is within proximity with Tutuilla Creek but should be avoided.	Low	Final planning and engineering will ensure the project design follows a route that does not negatively impact Tutuilla Creek or create the need for additional unnecessary permitting.

Cultural or Historic Resources: potential for increased permitting if project impacts cultural or historic resources	Project is located on previously developed land where no issues were raised previously. Project does not impact nearby cemetery owned and operated by City.	Low	Project implementation will follow designs to stay within previously disturbed ground and avoid any areas of concern.
Agency Approvals: potential for delay with complex projects involving multiple jurisdictions	Pendleton and ODOT have coordinated closely to develop this project. The project does not cross land on any additional jurisdictions.	Low	N/A
Right of Ways	Right of ways will be required. These have been previously identified in the completed IAMP.	Low	Pendleton and ODOT will have ODOT ROW negotiate real market value for ROW purposes.

Benefit Cost Analysis

The Benefit Cost Analysis was conducted by the City of Pendleton and ODOT by utilizing data available to ODOT. The BCA was prepared to the best standard possible using the U.S. DOT’s *Benefit-Cost Analysis Guidance for Discretionary Grant Programs*, December 2018 guidelines. The detailed cost and benefit assumptions are provided in this BCA submitted with this application.

Although appropriate data for project-level benefit-cost analysis purposes is limited for this project, the latest published traffic counts (for 2017) in the project area indicate annual average daily traffic of 24,300 at the I-84 undercrossing. Despite the unavailability of the required data to fully encapsulate all of the benefits of this project into the BCA, the results of the analysis indicate the project has a **Net Present Value (PV) of \$9,511,364** and a positive **Benefit-Cost Ratio of 1.43** at a 7% discount rate (Table follows).

BENEFIT: COST ANALYSIS SUMMARY DATA (@ 7%)		
PV of Capital Costs		(\$22,225,935)
PV of State of Good Repair Benefits		\$0
PV of Economic Competitiveness Benefits		\$27,765,264
PV of Quality of Life Benefits		\$0
PV of Fuel and Emissions Reduction Benefits		\$932,435
PV of Safety Benefits		\$638,692
PV of Residual Value		\$2,471,500
PV of Additional Maintenance Costs		(\$70,592)
PV of Benefits Total		\$31,737,299
Net Present Value		\$9,511,364
Benefit: Cost Ratio		1.43