



Oregon

Kate Brown, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

August 22, 2022

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol Salem,
OR 97301-4048

Dear Co-Chairpersons,

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) requests, on behalf of the Malheur County Development Corporation, a General Fund appropriation of \$3.0 million. This request will help reduce a funding gap on the Treasure Valley Reload Center Project in Nyssa, Oregon and the timing is critical to complete the project safely and within the project timeline.

AGENCY ACTION

House Bill 2017, the Transportation Funding Package passed during the 2017 legislative session, authorized \$26.0 million toward development and construction of the Treasure Valley Intermodal Facility. The Treasure Valley Intermodal Facility project construction site preparation began in June 2021 and is currently underway. The project has experienced various on-site challenges resulting in unforeseen and unanticipated cost overruns. The project sponsors provided a detailed letter, attached, describing the nature and extent of these budget challenges and requesting \$3.0 million General Fund from the Emergency Board.

As Emergency Board requests are considered only through executive branch agencies, ODOT sponsors this request on behalf of the Malheur County Development Corporation, while indicating neither advocacy of nor opposition to the request.

ACTION REQUESTED

Approve ODOT's request for General Fund appropriation of \$3.0 million to support completion of the Treasure Valley Intermodal Facility project. These funds will be administered by ODOT in the same fashion as funding previously dedicated to this project in HB 2017.

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LEGISLATION AFFECTED

Increase the General Fund appropriation limitation established by Chapter 442 Section 1, Oregon Laws 2021, for ODOT's Policy Data and Analysis Division, by \$3.0 million.

Sincerely,



Kristopher W. Strickler
Director

Encl: Letter from Malheur County Court



MALHEUR COUNTY

COUNTY COURT

251 B Street West #5, Vale, Oregon 97918 Phone (541) 473-5124 Fax (541) 473-5576

May 3, 2022

Lindsay Baker
Assistant Director
Oregon Department of Transportation
355 Capitol St, NE MS 11
Salem OR 976301
Lindsay.Baker@odot.oregon.gov

Ms. Baker:

On behalf of Malheur County, I am requesting \$3.0 Million Dollars from the Emergency Board to fund the Treasure Valley Reload Center project. This project has been a long time coming and has been in progress for years. The project is critical to infrastructure and economic development in this region and must be fully funded.

The Treasure Valley Reload Center project construction is well underway, is progressing well and is on schedule. However, it has experienced challenges on the site resulting in unforeseen and unanticipated cost overruns. These conditions are as follows:

- Greater depth (additional 8 feet) to the stable material for three rail spurs crossing a slough. The additional depth required removal of substantially more unsuitable material than anticipated, which greatly increased earthwork costs and rip rap costs.
- There is higher moisture content in the onsite materials now than when compared to prior exploratory explorations. Additional challenges using the onsite material for fill due to its higher than anticipated moisture content. This has resulted in the need for additional rip rap materials for use as fill for the rail lines as well as fill for the site roads.
- Inflation impacts. The project was budgeted several years ago. Inflation for the cost of materials, fuel, etc., has resulted in additional and higher expenses than anticipated.

Several other project adjustments have been made to help reduce the overall project cost. However, additional funds are needed to help cover the higher costs being incurred on the project. The additional requested funds are approximately 10% to 11% of the overall \$26 million project budget.

This \$3.0 Million is critical to completing this project safely and on time to enhance desperately needed economic development in Malheur County. Considering the emergency drought situation that is weighing on Eastern Oregon residents, the additional funds will help farmers, agriculture, and businesses in the area when the project finishes this fall

Sincerely,

Dan P. Joyce
Malheur County Court Judge

cc. Senator Lynn Findley
Representative Mark Owens