

ANALYSIS

Department of Transportation Killam Creek

Analyst: Ben Ruef

Request: Approve the submission of a federal grant application to the U.S. Department of Transportation, Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation grant program, in the amount of \$12,563,894 for the Killam Creek Project.

Analysis: The U.S. Department of Transportation's Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) grant program provides funding to state transportation agencies and other eligible entities to support projects that help transportation systems withstand and adapt to natural hazards such as climate change, sea level rise, flooding, extreme weather events, and other natural disasters.

If awarded, ODOT will use the grant funds to construct a bridge to replace an undersized culvert at Killam Creek, near Tillamook, addressing flooding that damages US-101 and surrounding properties. The project will improve transportation resilience by mitigating the risk of road closures and erosion caused by heavy rainfall and extreme weather events. The new bridge will be designed to accommodate higher streamflow's and increased storm frequency, reducing the likelihood of future flood-related disruptions. Additionally, the project includes slope stabilization measures along the west side of US-101 to prevent further roadway degradation and ensure long-term structural integrity.

The project also supports ecological restoration by removing a high-priority fish passage barrier, enhancing habitat connectivity for Oregon Coast coho salmon and other species. The design incorporates nature-based solutions to restore stream function and improve long-term sustainability. Total project cost, including engineering, environmental mitigation, and construction, is estimated at \$13.9 million. This includes \$1.4 million in required matching funds that can be met from state highway funds set aside by the Oregon Transportation Commission to leverage federal grant funds.

The grant application is due February 24th and award announcements are likely in summer of fall of 2025. If funding is awarded, ODOT will request an increase in expenditure limitation, as needed.

Recommendation: The Legislative Fiscal Office recommends approval.

Request: Authorization to apply for a grant of \$12,563,894 for a bridge to replace an undersized culvert from the Federal Highway Administration (FHA).

Recommendation: Approve the request.

Discussion: The FHA, through their Promoting Resilient Operations for Transformative, Efficient, and Cost-Savings Transportation (PROTECT) program is accepting applications for the 2024-25 fiscal year, in which there is \$876.0 million in available funding. The Oregon Department of Transportation has identified the Killam Creek project as a competitive project for these funds. The project will construct a bridge to replace an undersized culvert prone to flooding, which negatively impacts proximal private property and roads. The replacement will accommodate higher streamflow and storm frequency. The culvert is identified as a top priority for the Salmon Superhighway, a regional initiative to enhance fish habitat connectivity along Oregon's North Coast. The project includes innovative nature-based solutions to enhance the stream and riparian habitat, improving fish passage, and ecological functions.

The grant application deadline is February 24, 2025. The grant will require approximately \$1.4 million in matching funds. These funds will come from the IIJA flexible funds allocated by the Oregon Transportation Commission. The agency may return to request additional expenditure limitation if the grant is awarded.



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

January 30, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Delivery & Operations Division requests permission to apply for \$12,563,894 in Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) funding from the Federal Highway Administration (FHWA) for US101: MP 70.78 (Killam Creek) near Tillamook, Oregon.

AGENCY ACTION

The PROTECT grant program provides \$1.4 billion in contract authority over five years (FFY 2022 – 2026) through competitive grants to state transportation agencies and other eligible entities to ensure surface transportation resilience to natural hazards such as climate change, sea level rise, flooding, extreme weather events, and other natural disasters. FHWA released a notice of funding opportunity for the FY 2024 and 2025 program on October 25, 2024, and applications are due on February 24, 2025. The total available funds are \$876 million. The first round of grant funding (FFY 2022 and 2023) awarded \$829.6 million to 80 recipients. ODOT's process for selecting next-round projects to put forward for grant funding was informed by the previous year's process and grant award success. Award announcements are likely in summer or fall 2025.

ODOT has identified the Killam Creek Project as a competitive application for the PROTECT discretionary program. The project will construct a bridge to replace an undersized culvert prone to flooding, which contributes to road and property damage. Heavy rainfall in the area has contributed to slope failure along the west side of US-101, endangering the continued viability of this critical transportation route. Replacement will accommodate higher expected streamflow and storm frequency, and it will restore natural sediment and large wood transport rates. The culvert is a top priority for the Salmon Superhighway, a regional effort to enhance fish habitat connectivity on Oregon's North Coast. This crossing, listed on the [Statewide High Priority Fish Passage Barrier List](#), provides access to high-quality habitats for Oregon Coast coho salmon, among a suite of other anadromous fish and wildlife species. The project design

includes innovative nature-based solutions to enhance the stream and riparian habitat, providing fish passage and optimizing ecological functions.

Grant Request:	\$12,563,894
<u>Matching Funds:</u>	<u>\$1,392,988</u>
Total Project Cost:	\$13,929,882

The PROTECT grant program generally limits grant funding to 80 percent of the project cost, however ODOT is eligible for 90 percent funding (10 percent match) because the agency has an FHWA-approved Resilience Improvement Plan that is also incorporated into the statewide, long-range transportation plan (Oregon Transportation Plan). Matching funds for the project will come from the IJA flexible funds being allocated by the Oregon Transportation Commission for match for federal grants. Projects selected by FHWA will be funded with either Federal FY 2024 or FY 2025 funds. All awards of FY 2024 funding are available for obligation through September 30, 2027. All awards of FY 2025 funding are available for obligation through September 30, 2028. Funding expenditure deadlines for FY 2024 and 2025 will be documented in the grant agreement depending on the fund source.

If this grant is not awarded, ODOT will apply again on future PROTECT grant opportunities. If this project is not constructed, the area's residents are at higher risk of economic and emergency response disruption during highwater and flood events now and into the future.

ACTION REQUESTED

ODOT requests approval to apply for \$12,563,894 million in PROTECT grant funds for the Killam Creek Project. If this grant is awarded, ODOT may need to return for additional expenditure limitation; no additional positions will be needed to complete this workload.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director