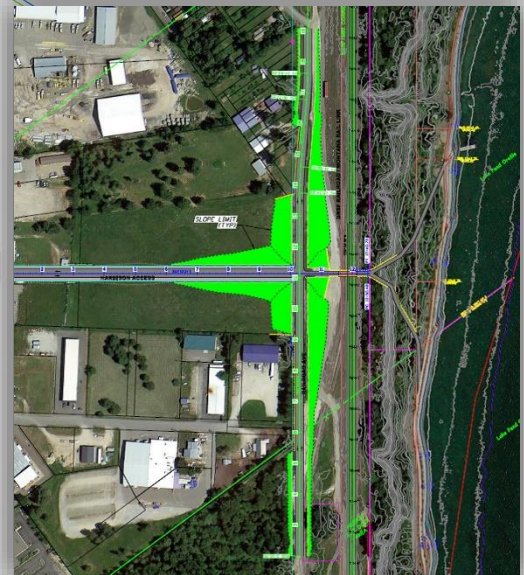


Lakeshore Connection Project

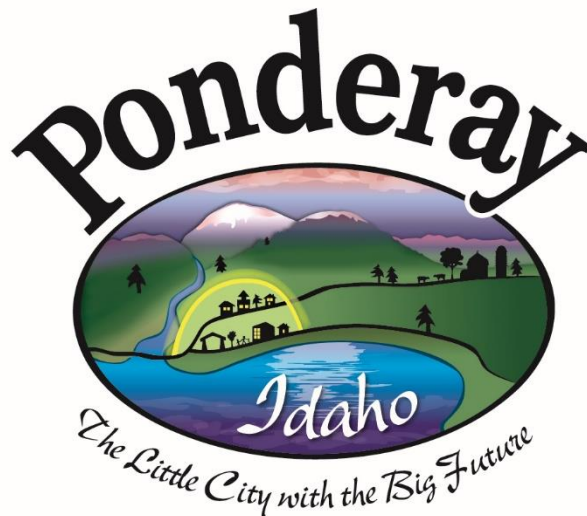
BUILD Transportation Discretionary Grant Application



Submitted by:

City of Ponderay, Idaho
288 Fourth Street
PO Box 500
Ponderay, ID 83852
(208) 265-5468

City of Ponderay
Idaho – USA
Lakeshore Connection Project



**BUILD Transportation Discretionary Grant Application
Lakeshore Connection Project**

**Type of Project: Public Transportation
U.S.C. Chapter 53, Title 49, D. Pedestrian Access and Walkways**

Project Location: City of Ponderay, Bonner County, Idaho

Funding Amount Requested: \$9,820,000

DUNS Number: 036419708

CAGE Code: 5EG03

<http://www.cityofponderay.org/>

<http://pobtrail.org/>

City of Ponderay, Idaho
Steve Geiger, Mayor
288 Fourth Street, PO Box 500
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mayor@ponderay.org

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United States Senator James E. Risch
Idaho Governor Brad Little
Idaho State Senator Jim Woodward
Idaho State Representative Sage Dixon
Idaho Department of Commerce
Idaho Department of Environmental Quality
Idaho Transportation Department
City of Kootenai
City of Sandpoint
Bonner County Board of Commissioners
Montana Rail Link
Idaho Operation Lifesaver
Local Highway Technical Assistance Council
Idaho Walk Bike Alliance
Bonner County Area Transportation Team
Greater Sandpoint Chamber of Commerce
Bonner General Health
Friends of the Pend d'Oreille Trail
Pend Oreille Pedalers
Lake Pend Oreille School District #84
Kaniksu Land Trust
Bonner County Economic Development Corporation
Panhandle Area Council

RESOURCE LINKS (<http://www.cityofponderay.org/2019-build-grant-lakeshore-connection-project/>)

Headwaters Economics, 2019, *Benefit-Cost Analysis of the Ponderay Undercrossing*
Pend d'Oreille Bay Trail Master Plan, 2015
New Mobility West, 2016, *Quad Cities, Idaho Highway 2/200 Corridor*
AECOM, 2015, Ponderay Undercrossing Technical Analysis *Land Capability Summary Report*
Ponderay Sub Area Plan, 2017

APPLICATION AT A GLANCE

Proposed Title:	Lakeshore Connection Project
Geospatial Information:	48°17'57" N 116°32'07" W
County Demographics:	Population: 42,560 ¹ Median Household Income: \$48,097 ² Personal Per Capita Income: \$36,553 ³ Persons Below Poverty Level: 15.4% ⁴ Unemployment Rate March 23, 2018: 4.6% ⁵
City Demographics:	Population: 1,137 ⁶ Persons Below Poverty Level: 19.7% ⁷
Congressional District:	Idaho 01
Economically Distressed:	2017 Median Household Income \$33,250: 54% of U.S.
Special Considerations:	The project is in a HUBZone and within one mile of an Opportunity Zone
Project Classification:	Pedestrian Access and Walkways
Funding Request:	\$9,820,000
Matching Support:	\$160,000
Benefit to Cost:	N/A
Supporting Documentation:	http://www.cityofponderay.org/2019-build-grant-lakeshore-connection-project/

¹ Stats America, 2018, USA Counties in Profile, Overview for Bonner County, ID.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ Idaho Department of Labor, January 2018 REVISED-March 23, 2018, *Monthly Labor Force Data*.

⁶ U.S. Census Bureau, DP-1 Profile of General Population and Housing Characteristics: 2010, Ponderay city, Idaho.

⁷ <https://headwaterseconomics.org/tools/populations-at-risk/>.

LAKESHORE CONNECTION PROJECT NARRATIVE

I. PROJECT DESCRIPTION

The City of Ponderay seeks a \$9,820,000 BUILD Transportation Discretionary Grant for a grade separation multi-modal construction project, which will improve safety, mobility and quality of life, while spurring economic development in the area. The Lakeshore Connection Project will connect the lakeside community of Ponderay to Lake Pend Oreille and neighboring rural communities of Kootenai and Sandpoint with a safe railroad undercrossing, while providing an opportunity for economic development in a newly created downtown core for the City of Ponderay.

Specifically, the project will provide for:

1. Final engineering design for the Lakeshore Connection Project – which includes a railroad crossing, a new City street and an upgraded railroad frontage road;
2. The appropriate review of the undercrossing project in compliance with the National Environmental Policy Act (NEPA) guidance;
3. Planning for improvements of the Idaho State Highway 200 (SH-200) corridor and intersections between the Sand Creek Byway intersection and the signalized intersection with Kootenai Cutoff Road; and
4. Construction of a BEBO Arch pedestrian undercrossing, a 1,200-foot City street using a typical section width of 43 feet with full vehicle access, and upgrading 1,700 feet of Railroad Avenue, the frontage road. The pedestrian-only undercrossing will be a width of 14 feet. Although this is a pedestrian-only undercrossing, it will have sufficient width and height to provide emergency vehicle access.⁸

Ponderay borders Lake Pend Oreille, the largest freshwater lake in Idaho and a major tourist destination. Residents in the cities of Ponderay and Kootenai have no safe access to the lake because of a double set of Montana Rail Link tracks (leased from BNSF Railway) that lie between the towns and the lake. On the other side of the tracks lies the Pend d'Oreille Bay Trail, a scenic greenway that runs from Sandpoint to Ponderay along 1.4 miles of the shoreline. This trail is a community treasure, providing residents and visitors alike the opportunity to enjoy scenic views and lake access from a non-motorized pathway. Currently the only legal access to the trail is in the City of Sandpoint, approximately 3 miles by car southwest of Ponderay. The trail dead-ends in Ponderay on the bay side of the tracks with no connection to Ponderay or Kootenai. Constructing an undercrossing in Ponderay to the trail in Ponderay will improve connectivity for the three cities and provide much-needed safe and legal



Pend d'Oreille Bay Trail Dead End

⁸ Ponderay Undercrossing Technical Analysis Feasibility Study Report, March 2017, AECOM

shoreline access for people in the underserved communities of Ponderay and Kootenai. (*Attachment A – Vicinity Map and Project Overview Map*)

Accessed via a new downtown City street through currently undeveloped City-owned property, the proposed undercrossing will provide an opportunity for the City of Ponderay to partner with private businesses to create a downtown commercial district and public gathering space for the community. Finally, the pedestrian undercrossing will allow for maintenance and emergency vehicles to access the lakeshore trail, improving safety. It will also give the City a future opportunity to develop a park or other amenities along the shoreline in an area that is currently slated for cleanup under the Brownfields program.

Transportation Challenge

A multi-modal gap exists between the cities of Kootenai, Ponderay, and Sandpoint due to a shortage of safe, non-motorized pathways. SH-200 is dangerous for bicyclists—the speed limit is 45 mph, and shoulder widths range from 2” to 10” with deep swale ditches. The most current (2017) annual average daily traffic count on SH-200, mile post 30.64 in Ponderay was 10,000.

Currently, people who do not own a vehicle, which is a little over 1% of the population in Ponderay, 1% in Kootenai and nearly 3% in Sandpoint, or cannot afford to operate one, have few commuting options. The three-city area does have a free transit system, but sometimes the schedules and wait times are inconvenient, as it can take 45 minutes to reach Sandpoint City Beach from Ponderay—a 9-minute drive by car.



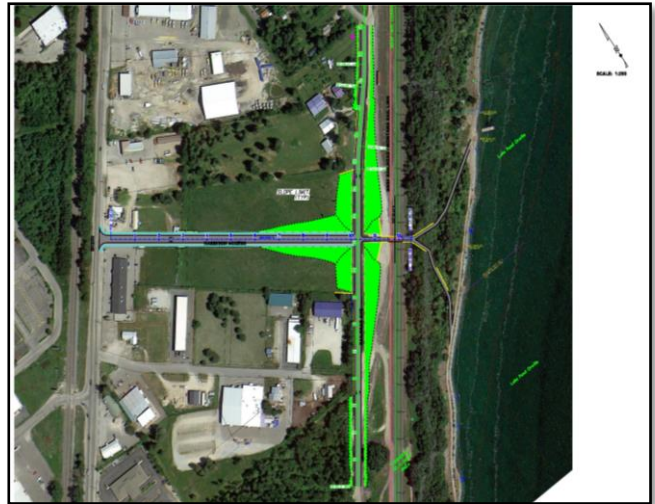
SH-200 in Ponderay as vehicles share the road with a cyclist on the narrow shoulder.

The aspiration to create a shared use network and connect our rural communities with a shoreline trail cannot be done without a safe crossing across the tracks to the lake. Creating access to the shoreline is critical not just for Ponderay, but for all the communities on the lake by providing a safer and more convenient non-motorized route between the cities of Kootenai, Ponderay, and Sandpoint. This is particularly important for the children and teenagers in these lakeside towns who need more convenient and safer non-motorized paths for getting outdoors, to the beach and to jobs in neighboring communities.

Solution to Transportation Challenge

Providing a safe, convenient, non-motorized shared pathway between the rural communities of Sandpoint and Ponderay/Kootenai will allow commuters more options, and far greater mobility for the economically disadvantaged in Ponderay, which has 19.7% poverty rate. Having another, more direct route between these shoreline communities will mean more mobility during fair weather days in Bonner County’s population center. It will increase safety for bicyclists who are currently riding along busy SH-200 to avoid the long ride around on existing bike paths.

Design of a pedestrian undercrossing and fencing will eliminate the unsafe illegal trespass to get from the populated City center or residential area to the City-owned shoreline property and the Pend d'Oreille Bay Trail. The lake is a popular draw, and without a safe undercrossing, the frequency of trespass on the busy Montana Rail Link rail line will only increase. The project also includes planning for safety enhancements to SH-200. The goal of this project is development of a shared-use multi-modal pathway network.



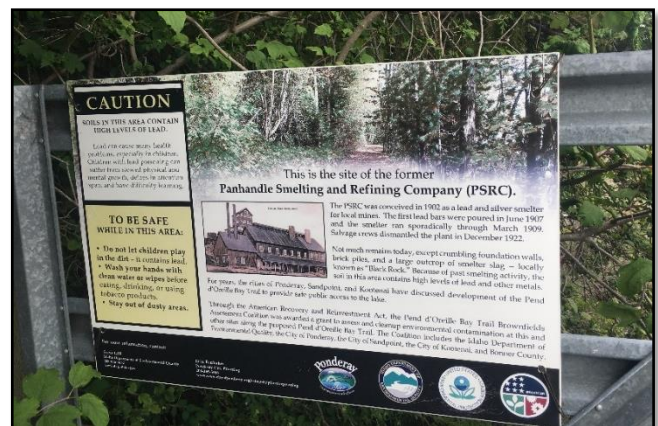
Preliminary Design – New city street and pedestrian undercrossing access

History

The history of the undercrossing proposal and the Pend d'Oreille Bay Trail begins with the Northern Pacific Railroad in 1896. The rail line was built along the Northwest shoreline of Lake Pend Oreille. This important rail corridor was threatened by spring floods around Lake Pend Oreille. From 1964 to 1975, and again in 1999 to 2011, the U.S. Army Corps of Engineers (USACE) installed shoreline rip rap along much of the project area to protect the railroad grade from flooding and erosion. Between 1964 and 2011 nearly \$7.5 million was spent by the USACE on bank stabilization in this area. This work created the foundation for a rudimentary shoreline trail.

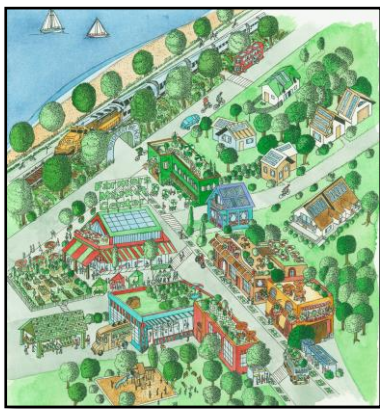
For many years, this unofficial trail has been used by locals, even though it traversed undeveloped private property and railroad right-of-way and involved dangerous access by crossing busy railroad tracks. Despite its limited and unsafe access, the trail became popular for walking, biking, jogging, watching wildlife, and reaching Lake Pend Oreille.

Since the 1980s, the cities of Sandpoint and Ponderay have been discussing opportunities for a safe, accessible public trail along this shoreline, anchored at the southern and northern ends by municipal parks. Planning for the trail corridor began in earnest in the mid-2000s and coincided with Idaho Department of Environmental Quality's (IDEQ) strategy for assessing and cleaning up contamination at historical sites within the trail corridor, including the large slag heap (aka Black Rock) at the site of the former Panhandle Smelting and Refining Company (PSRC) smelter that operated on the shores of the lake in Ponderay in the early 1900s.



Following several decades of discussions between the cities of Sandpoint and Ponderay about a possible greenway and public parks on this stretch of lakeshore, Sandpoint's Mayor formed a broad-based citizens committee in 2006. The project quickly gained momentum as the committee of community leaders, interested residents, and municipal officials engaged trail users, environmental interests, land-use planners, businesses, landowners, and government agencies in project planning.

In 2008, members of the committee formed the Friends of Pend d'Oreille Bay Trail (Friends), which later organized as a 501(c)3 non-profit organization. That same year, the Friends secured the first of two technical assistance grants from the National Park Service Rivers, Trails, and Conservation Assistance program to engage the broader community in developing a trail concept plan. The two-year process involved many opportunities for public and stakeholder input including



Vision-to-Action Workshop Rendering

outreach events, surveys, open houses, and a comprehensive design workshop with more than 60 participants facilitated by the American Society of Landscape Architects, Idaho-Montana chapter. The result was the Pend d'Oreille Bay Trail Concept Plan, published in 2010. Also, in 2010, the City of Ponderay hosted a community visioning workshop attended by nearly 80 citizens. Conducted by the USACE in collaboration with the U.S. Environmental Protection Agency's (EPA) Brownfields program, the "Vision-to-Action" workshop was a hands-on process supported by a professional artist who created composite renderings of visual ideas of the community's future. These plans and visions incorporated safe passage to the shoreline in Ponderay by way of a separated grade crossing.

During this time, the IDEQ was conducting an environmental assessment of the two-mile trail corridor. On May 11, 2009, the IDEQ was awarded funding for an EPA Coalition Assessment Cooperative Agreement under the American Recovery and Reinvestment Act in the amount of \$650,000, for Community Wide Hazardous Substance and Petroleum Brownfield Assessment. Coalition Assessment Partners included IDEQ, the cities of Kootenai, Ponderay and Sandpoint, and Bonner County. The purpose was to study the extent and nature of contamination along the northern shoreline of Lake Pend Oreille to resolve environmental barriers to the revitalization and reuse of these Brownfields properties. Environmental assessments were undertaken on 19 properties and identified the need for cleanup at the site of the former PSRC.

This spring, the City of Ponderay was awarded an \$800,000 Brownfields Multipurpose grant from the EPA to conduct four Phase I and one Phase II Environmental Site Assessments and clean up the PSRC site, including Black Rock on the shoreline. IDEQ is currently developing options and costs for the cleanup on public and private property.

In September 2011, the City of Sandpoint approved an agreement with private property owners to acquire shoreline property in the trail corridor through four purchases, \$400,000 each, over a four-year period. The parcels stretch along a mile of shoreline, from Sandpoint's water treatment plant and the historic Humbird Mill ruins in the south, to within a few hundred feet of Black Rock. Sandpoint completed the first two purchases in 2011 and 2012. The third purchase was completed

by the City of Ponderay in 2013, and the Friends group raised funds to assist the City of Ponderay with the fourth purchase in 2014. Thanks to these collective purchases, the public now can enjoy access to Lake Pend Oreille from an official Pend d'Oreille Bay Trail.



Then Mayor Carol Kunzeman meets with Idaho Governor C. L. "Butch" Otter on the Pend d'Oreille Bay Trail

In 2014, using grant funds, the Friends hired Harmony Design and Engineering to develop a Master Trail and Interpretive Plan for the Pend d'Oreille Bay Trail. Harmony coordinated its design with the work being done by the City of Ponderay's consultants who were developing the Ponderay Village Sub-Area Plan, which is an effort by the City to develop special zoning codes to address the potential changes in neighborhoods most likely to be affected by the construction of a railroad undercrossing and the planned Brownfields cleanup, which will provide unprecedented access to the lakeshore. Harmony conducted extensive public outreach, interactive public events, a survey and interviews with key stakeholders—the private property owners along the corridor, municipalities, the local museum, and state and federal agencies. The master trail plan is based on the foundation established by the earlier Concept Plan but developed more details for the development of the trail and provided preliminary design concepts and cost estimates for the improvements.

The public outreach conducted during these planning processes show that a safe connection between Ponderay and the lakeshore trail is a top community priority. Given this feedback, the Friends, IDEQ and the Trust for Public Land collaborated on funding two studies by AECOM, a Land Capability Report and a Technical Analysis Feasibility Study, to determine the feasibility of building a railroad undercrossing in Ponderay. The Land Capability Study showed that the current location for the proposed undercrossing is suitable for constructing a railroad undercrossing. With that information in hand, Trust for Public Land in 2016 granted \$240,000 to the City of Ponderay for acquisition of property on the upland side of the tracks, opposite the City's waterfront property, for the future railroad undercrossing access corridor. The City of Ponderay contributed \$70,000 toward the purchase price.

Also, in 2016, New Mobility West worked with the communities of Dover, Kootenai, Ponderay and Sandpoint on a U.S. 2/SH-200 Transportation Corridor Study. Design principles resulted in a regional collaboration strategy for multimodal transportation and investment and identified the need for connection of a new street grid to the Pend d'Oreille Bay Trail by a proposed grade-separated trail crossing under the Montana Rail Link Corridor.⁹

Meanwhile, AECOM examined four different alternatives for the undercrossing, consulted with Montana Rail Link, and developed preliminary engineering designs and cost estimates for three of those alternatives. The Friends also hired Headwaters Economics to conduct a Benefit-Cost

⁹ Quad Cities, Idaho, Highway 2/200 Corridor, 2016, *A Regional Collaboration Strategy for Multimodal Transportation and Investment*.

Analysis of the Ponderay undercrossing in 2017. This analysis has recently been updated and is attached. The analysis indicates that the community benefits exceed the potential cost of building a pedestrian-only undercrossing. With these preparations complete, the City of Ponderay decided it was time to apply for federal funding to make this community dream become a reality.

Once this project is underway, it is anticipated that this will lead to a bigger project using Idaho Community Development Block Grant Economic Development funds for vehicular and pedestrian improvements to SH-200.

II. PROJECT LOCATION

Geospatial Information: 48°17'57" N, 116°32'07" W

Centrally located east and west as the crow flies, approximately 22 miles between the states of Montana and Washington, the City of Ponderay is approximately 48 miles north of Coeur d'Alene, Idaho, 75 miles northeast of Spokane, Washington, and 58 miles south of the Idaho-Canada border. The study area is along SH-200, down a new road perpendicular to SH-200, and under a railroad track to Lake Pend Oreille and the Pend d'Oreille Bay trail system. Vicinity and Project Overview Maps are part of *Attachment A*.

III. GRANT FUNDS, SOURCES AND USES OF ALL PROJECT FUNDING

A. Project Costs

The total project cost is \$9,980,000 as outlined in item E., Budget, below. The design engineering estimate is from the 2017 Technical Analysis Feasibility Report prepared by AECOM (*Attachment B*) plus a 15% increase based on Idaho Transportation Department bridge project bids over the past 12 months (*Attachment C*). Costs for the environmental assessment and SH-200 planning activities are from contractors with expertise in those areas, and the estimate for administration is from the Local Highway Technical Assistance Council.

B. Source and Amount for All Funds

Source	Amount	Committed/ Uncommitted
BUILD Planning Grant	\$9,820,000	Uncommitted
Other Sources*	\$160,000	Uncommitted
Total	\$9,980,000	

*Details in C., Non-Federal Funding Commitments.

C. Non-Federal Funding Commitments

Currently, the City has no non-federal funding commitments. However, is determined to include \$160,000 in non-federal match funds to this project from its "bed tax" revenue. A letter of commitment was not available by the grant deadline but will be submitted after the City Council meeting July 16, 2019.

With a population of 1,137, the City does not have the tax base to fund the undercrossing or provide significant match out of its current revenue streams. According to the U. S. Economic Development Administration, Bonner County has met the “Area Distress” criteria – based on unemployment rate (1% or more above the national rate) and per capita income (less than or equal to 80% of the national average) – every decade since 1960. The City of Ponderay’s annual budget is based on about \$1.3 million a year including \$873,000 in property taxes. The majority of City traffic is produced by residents of neighboring communities, and the brunt of wear and tear is seen on Ponderay's City streets. Additionally, the town's small police department is overworked due to a limited budget for staffing and policing the commercial district, which requires a great deal of attention. Ponderay is simply attempting to cover the cost of basic needs and maintenance, which the public expects of their government.

While Ponderay is a retail hub—home to Wal-Mart, Home Depot and car dealerships—very little sales tax revenue is returned to the community, as state sales tax distribution is determined by population. Ponderay sends about \$50,000.00 per day in sales tax revenue to the state Capitol yet gets back only 2½ days in produced revenue for the entire year. (This year the revenue that is returned from the State is a little less than \$120,000.00.) The financial realities of the City’s low property tax base and outflow of sales tax to the rest of the state underscore the need for federal funds to provide the necessary infrastructure to reduce safety hazards of the rail line and provide much needed transportation and recreation access to this underserved population.

D. Non-Federal Funding Source

The State of Idaho allows resort cities with populations of less than \$10,000 to levy additional sales taxes over and above the state’s sales tax if approved by 60 percent of the City’s voters. Ponderay is considered a resort City in Idaho because of the recreation amenities nearby, namely Schweitzer Mountain Resort ski area and Lake Pend Oreille (to which it currently has no access). The City levies a sales tax on lodging (aka “bed tax”). The City’s voters increased the City’s bed tax in November 2017 from 5 to 7 percent. The increase in the bed tax is expected to generate an estimated \$80,000 per year of new revenue for the City. This new revenue has been designated for a variety of municipal services, including transportation infrastructure, bike paths, parks and recreation. If the BUILD grant is awarded, the City could dedicate a portion of these taxes, through its annual budget process, to the undercrossing. Once the uncommitted have funds been committed, this rural project can provide a 1.6% cost share.

E. Budget by Activity and Source

Activity (2020-2021)	BUILD Portion	Local Match	Total
Environmental Assessment	0	30,000	30,000
U.S. Highway 200 Planning	60,000		60,000
Construction	5,977,100	90,000	6,067,100
Contingency	910,200		910,200
Design & Engineering	930,900	40,000	970,900
Construction Oversight and Administration (LHTAC)	1,941,800		1,941,800
Total	9,820,000	160,000	9,980,000

IV. SELECTION CRITERIA

(1) Primary Selection Criteria

(a) Safety

One of the primary purposes of this project is to improve safety and prevent potential injury or death of residents and visitors who trespass across the double set of railroad tracks to access the lakeshore in Ponderay.

For many years, people have been crossing the tracks in Ponderay's oldest neighborhood, creating a well-worn path from frequent historic use that leads from the end of Cedar Street, across the tracks and down to the lake. A recent count by the Friends of the Pend d'Oreille Bay Trail, using a motion-sensor camera set up along the footpath, recorded 260 trespassers in a two-week period in late June. Trespassers were of all ages and included people with bikes, dogs, inner tubes, coolers and kayaks.

People also frequently access the lake and shoreline trail from a former temporary at-grade crossing that was built by the USACE to construct the bank stabilization in 2004. While the crossing is closed to traffic, this is the route favored by trespassing bicyclists and by Northside Fire District, which responds to emergencies on the Pend d'Oreille Bay Trail from this location by foot.

Fortunately, Ponderay has escaped serious casualties in the past decade, but in 1999, a 37-year-old man was hit by a train on this rail line and killed. Given the close proximity of the tracks to a residential neighborhood, the magnetic pull of the lake, the inevitable growth of the community, and increasing freight train traffic along these tracks, it's not unreasonable to assume that an injury or death is inevitable without a separated grade crossing.

According to the Federal Railroad Administration (FRA), trespassing on railroad property is the leading cause of rail-related deaths, and the numbers are on the increase. Between November 2013 and October 2017, 4,242 people were killed or injured while trespassing on railroad property, not including suicides. The FRA's "National Strategy to Prevent Trespassing on Railroad Property," a February 2019 report to Congress, includes a recommendation to provide funding to support community efforts to deter trespassing. The Ponderay undercrossing project is exactly one such effort.



MRL reports the average trains per day is 21.8, in both directions, with speeds between 20 and 60 miles per hour¹⁰, on a double set of tracks through Ponderay and Kootenai. This number is up 21% from just 18 trains per day in 2012. The Idaho Statewide Rail Plan identifies projections for these tracks up to capacity by the year 2040, which is 35 trains per day—another 60.5% increase. The definition for capacity in this context means “very heavy train flow with very limited capacity to accommodate maintenance and recover from incidents”. With the current and projected increase in train flow, the safety risks associated with trespassing over the railroad tracks will only continue to increase.



High train speeds, blind curves and train noise echoing off the lake and mountains make it difficult to gauge a train’s proximity and extremely dangerous for trespassers. Trains can take a mile or more to come to a complete stop. Even if the engineer sees an oncoming trespasser, it’s likely they are unable to stop in time.

While the ballast under the tracks plays a critical role in drainage to prevent railroad ties from rotting and supports the ties and rails, it is difficult to walk on and move quickly away from an oncoming train. Walking close to tracks is also dangerous because the train cars themselves overhang the tracks by at least 3 feet, making it easy to be clipped by a passing train.¹¹ Often unit trains are staged in the proposed undercrossing location waiting for the track to clear for passage over the Lake Pend Oreille trestle. The staging situation adds to the safety problem in that pedestrians trespassing to cross the tracks may not clear a stopped train before it quietly moves and gets up to speed.



Footpath leading from the tracks to Lake Pend Oreille. Photo courtesy of Bonner County GIS

Meanwhile, Ponderay – the “Little City with a Big Future” – continues to grow. The City has 1,280 acres of undeveloped land within the City limits and is considered one of the more affordable locations in Bonner County to build a home or locate a business. The City doubled in population from 2000 to 2010 and is projected to reach 1,876 by 2020—a 39% increase, according to the City’s comprehensive land use plan. As the community grows, there will be more demand and pressure on existing access points to the lake, and Ponderay will no doubt see an increase in trespassers hiking across the double tracks.

A grade-separated crossing in Ponderay will provide emergency service personnel with a safe and efficient means of accessing the shoreline to respond to accidents, injuries, fire and other emergencies. Responding to emergencies on foot is extremely time consuming because of the difficulties in

¹⁰ Ross Lane, Montana Rail Link, July 10, 2019.

¹¹ Operation Life Saver, 2018, *Myths or Realities? Pedestrian Safety Around Tracks & Trains*, <https://oli.org/volunteer-toolkit-docs/Myths-or-Realities.pdf>.

locating incidents in the vicinity. Mobile pumps must be carried across the tracks to the location of a fire, or a hose must be extended across the railroad tracks, making fire extinguishing very difficult. Like trespassers, emergency responders risk injury or death when walking across the uneven and coarse ballast.

In certain emergencies, Bonner County EMS will send a UTV (utility task vehicle) or brush truck from Sandpoint up the length of the trail, but this response takes significantly longer than if the Fire District were to have close access with a grade-separated crossing. The local Fire Chief has stated response times could be reduced by upwards of ten minutes with the ability to access the trail with emergency vehicles. Ten minutes could literally mean life or death.

The proposed design for the undercrossing would be large enough to accommodate emergency vehicles, and emergency personnel would be equipped with keys for the barrier that otherwise would prevent vehicles from accessing the shoreline trail. While non-emergency vehicles will be blocked from the lakeshore, people on foot or bikes will be directed with fencing and signage to the undercrossing for safe passage to the shoreline. Not only will the undercrossing provide better response times for lakeside emergencies, but the pedestrian/bicycle grade separation responds to a demand for a safe and legal passage along this active rail corridor to the lake and the Pend d'Oreille Bay Trail.

(b) State of Good Repair

This project will include a plan as part of the engineering design to maintain the infrastructure in a state of good repair, including estimations on overall life-cycle costs and recommendations for sustainable revenue. This will contribute to the resilience in subsequent work of the construction project.

(c) Economic Competitiveness

This project is the keystone of a holistic vision for a community that has prioritized transportation, economic development, land use, and livability on both a regional and local scale. With an Opportunity Zone within one mile from the project, Ponderay exists at the intersection of regionally significant highways. One is the east-west U.S. 2/SH-200/U.S. Bike Route 10 corridor. This highway connects the Pacific Northwest and Northern Rockies with a freight route that connects their regional economies in Washington, Idaho and Montana while avoiding major mountain passes. The other highway is the north-south U.S. 95/U.S. 2 corridor that connects Idaho and the Pacific Northwest with British Columbia and Alberta provinces in Canada. Ponderay also has three railroad lines that cross through town. This is a rapidly growing area with an opportunity to be a model for responsible development that constructs transportation investments in harmony with community livability.

Future reconstruction of SH-200 through Ponderay is a missing link that would connect two major Idaho Transportation Department improvement projects: The Sand Creek Byway completed in 2011, and Wayside Corner widening and signalization completed in 2006, as well as a recently funded construction project through the City of Kootenai just to the east. SH-200 through Ponderay is notorious for its congestion during peak commuting hours and dangerous walking and biking

conditions. The opportunity at hand is to greatly improve connectivity between the lakeshore shared use path and state highway to the traditional town center on SH-200. This access, in combination with a subarea plan, will unlock the potential for substantial infill development of the neighborhood and town center for historic Ponderay, increasing economic opportunities for residents and entrepreneurs.

With a population of 1,137, the City of Ponderay is the commercial core of Bonner County and the gateway to Schweitzer Mountain skiing, hunting and fishing, and is a terminal for the Montana Rockies Rail Tours. The largest industry employer is retail, providing more than 50% of the jobs in the City employing approximately one-third of all Bonner County retail employees. With provisions for grocery stores, and big box retailers such as Wal-Mart and Home Depot, the City offers a variety of services catering to local and tourism demands.¹² Economic impact is generated when non-locals bring new money to the area, spending it on food, lodging and retail as they enjoy activities such as biking or walking the Pend d'Oreille Bay Trail.¹³ With a new City street that can accommodate commercial use adjacent to the trail entrance, the City is poised to enhance its economy just from the new business opportunities alone.



Footpath along SH-200. Photo courtesy of City of Ponderay Bike and Pedestrian Master Plan

Ponderay, like North Idaho's economy, traditionally relied on sawmills, but in recent years has suffered due to slumping market demand for forest products. From 2006 – 2009, 1,003 lumber industry employees lost their jobs, which indirectly affected 2,086 jobs in other sectors and generated a loss to the regional economy of \$119.5 million.¹⁴ In recent years Ponderay has seen growth as a regional retail center based upon its proximity to State Highway 200 and U.S. Highway 95, with a growing number of service jobs. However, the relatively well-paying lumber industry jobs (with a time-adjusted wage scale of \$15 to \$19/hour) were replaced with new service-sector jobs that average only \$9 to \$12/hour. (Idaho Department of Labor) The median income for full-time, year-round male workers in Ponderay is \$35,132 and for female workers, \$26,406 (U.S. Census Bureau).

Pathways are proven to enhance property values and tax revenues, expand local businesses, attract new or relocating businesses, create jobs, and promote a local community. Trails also provide transportation options, offering a reliable means of transportation for short distance trips and cutting fuel expenses and emissions.¹⁵ Opening up a trail head with an undercrossing in Ponderay will afford commuters between the communities a healthy alternative to reach their place of work. Major employers in the Ponderay and Kootenai communities – other than retail – include the Lake Pend Oreille School District, Litehouse Foods, Cygnus (a high accuracy machine parts manufacturer for the aerospace and aeronautics industry), and Dietrich Coffee Roasters (a metal fabricating plant). Improving the non-motorized connectivity between these cities and Sandpoint

¹² City of Ponderay, 2005, *Comprehensive Plan*, Economic Development.

¹³ Headwaters Economics, 2016, *Measuring Trails Benefits Series: Business Impacts*, <http://headwaterseconomics.org>.

¹⁴ *Industry Scenario Report*, Idaho Department of Labor, May 2010.

¹⁵ National Park Service, 1995 Fourth Edition Revised, *Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors, A Resource Book*.

will help these and other businesses attract and retain employees. It also fulfills one of the livability principals as adopted by the U.S. Department of Transportation: to improve the economic competitiveness of neighborhoods by giving people reliable access to employment centers, educational opportunities, services and other basic needs.

Ponderay and Kootenai are two of the more affordable communities for people to live in Bonner County, but they lack easy access to outdoor amenities that other areas in Bonner County enjoy. An economic study of Bonner County found that despite recessions and the loss of large employers such as Coldwater Creek, which was based in Kootenai, the economy has been resilient with steady growth. The resiliency of the local economy could be traced, in part, to the excellent quality of life in the county. The report concluded, “Many businesses are in Bonner County because their leadership is committed to the community and its high quality of life. ... Although some disadvantages like distance to markets cannot be changed, the area can shore up its strengths like quality of life and existing breadth of employers to ensure ongoing economic success.”¹⁶ Enhancing

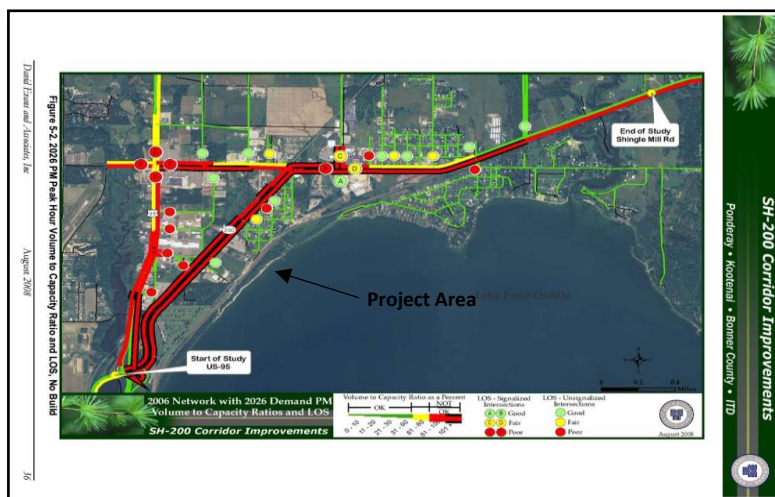
and protecting the communities’ quality of life through the development of trails and important trail connections, such as this undercrossing, is key to supporting the foundation of a healthy economy in Ponderay specifically and in Bonner County more generally.



Conceptual drawing created for the Ponderay Village Subarea Plan

The City is anticipating the impacts of the planned undercrossing through the Ponderay Village Subarea Plan, which provides guidance for the development of the upland and shoreline neighborhoods considering the potential construction of an undercrossing and Brownfields redevelopment. The subarea plan is also intended to help guide future redevelopment plans for the Brownfields site.

In summary, construction of a downtown street and railroad undercrossing, combined with SH-200 corridor planning and the recently funded Brownfields cleanup, are key steps to creating a vibrant town center for Ponderay that’s connected to its waterfront and the neighboring communities, thereby improving its livability and strengthening its economic foundation.



SH-200 Corridor Plan – 2018

¹⁶ Headwaters Economics, 2015, *Bonner County, Idaho's Resilient Economy*.

(d) Environmental Sustainability

The end goal of this project is to improve access and connectivity for the non-motorized public. In order to do that, an undercrossing is needed, which will require major excavating operations and will increase impervious surfaces near the Lake Pend Oreille shoreline. Because of the proximity of the lake, and the need to protect water quality, a thorough environmental review must be conducted, which is part of this project.

Lake Pend Oreille lies in the Purcell Trench, a deep, glacially carved, U-shaped valley separating the Cabinet, Selkirk and Coeur d'Alene mountain ranges. Sheer rock slopes that continue steeply below the water surface toward the bottom bound much of the lake's shoreline. The remainder of the perimeter is a combination of shifting river deltas, flood plain margin and relict glacial terraces. The section of shoreline that is exclusively glacial terrace runs from Dover northeast past Sandpoint and Ponderay to Kootenai. It is composed predominately of sand overlying silt and clay and is characterized by perched water tables and unstable, erosion-prone soil conditions. The lakebed is characterized by shallow water at summer pool and is exposed and dry during most of the drawdown period. The proposed project area lies within this glacial terrace.

A Land Capability Summary Report provided by AECOM in 2017 found that given the thick clay layers of soil and a high-water table, long-term settlement issues may be possible in the project site. The report also concluded that wetlands are possible in the area, a conclusion reinforced by a subsequent wetland delineation. However, it's uncertain if the wetlands are jurisdictional or not. In addition, given the high-water table, it's possible that the new infrastructure may release additional stormwater runoff as a result, the AECOM report concluded.

Non-point source pollution from upland activities is one of the greatest threats to water quality in Lake Pend Oreille. The nearshore areas of Lake Pend Oreille are listed as water quality impaired under section 303D of the Clean Water Act due to elevated levels of nutrients. Increasing nutrients – nitrogen and phosphorus – is causing algae growth in the lake. While these nutrients have a variety of origins, stormwater runoff is a common source. Capturing and treating stormwater is one of the prime strategies recommended in the state's plan for improving water quality in the lake.

Addressing the stormwater generated by this project, as well as better treating existing stormwater that flows downgradient from the City of Ponderay to the lake, is of great interest to the City of Ponderay. During the design and engineering of the undercrossing and new City street, the City's intent is to also examine stormwater treatment alternatives, including the possibility of constructing an artificial wetland to treat stormwater and potentially to mitigate for impacts to other wetlands onsite. Artificial wetlands were constructed as mitigation for the U.S. Highway 95 bypass (Sand Creek Byway) project in 2011. Wetlands enhanced biofiltration along nearby Sand Creek offer a successful model to consider.

Other potential environmental benefits will follow when the undercrossing is completed, including reducing greenhouse gases and improving air quality. As in the Benefit-Cost Analysis conducted by Headwaters Economics, it is estimated that the construction of the undercrossing results in 3.3 percent of Ponderay residents choosing to commute by bicycle. That would result in reducing CO2 emissions by 617 metric tons over the next 20 years. Compact redevelopment in the expanded

neighborhood grid off SH-200 will enhance ridership for the Selkirk-Ponderay Transit (SPOT) bus without increasing service cost. A joint effort of four small cities with a combined population of 10,640, SPOT is a project supporter that provided 71,424 rides last year and is projecting an excess of 125,000 rides by year 2020. Enhancing transportation choice and reducing commuting traffic will have the additional benefit of improving air quality, most likely in the spring, summer and fall during fair weather and when the shoreline trail is not obstructed by snow.

Currently, the lakeshore trail is blocked by a gate, beyond which lies private property, some of which is contaminated by lead, arsenic and other heavy metals from historic smelting operations. A large sign warns the public of the human health risks associated with recreating on the contaminated properties beyond the gate. The undercrossing will increase the potential for redevelopment and reuse of the contaminated properties on the lake's shoreline. As the City plans for this undercrossing, it will simultaneously be working with IDEQ, the railroads, and the other shoreline property owners in the cleanup of Black Rock. The revitalization of the contaminated Black Rock properties combined with the advent of safe, public access to the shoreline creates the opportunity for improvements that benefit both public health and the environment.

Quality of Life

Constructing a railroad undercrossing in Ponderay will enhance the quality of life of people living in Ponderay and the surrounding communities. Ponderay is a unique rural town. Located on shores of Lake Pend Oreille, and along the meandering Sand Creek, near the base of Schweitzer Mountain ski resort, the town's residents have no easy or safe access to any of these natural amenities. The City owns property along Lake Pend Oreille, the largest natural lake in Idaho, but the double set of busy MRL tracks blocks access to the shoreline. The closest public access is Sandpoint City Beach, which is three miles away by car, or a circuitous four miles by bicycle, or a 45-minute bus ride during transit operating hours. The City's commercial strip along U.S. Highway 95 backs up along Sand Creek, making this natural corridor all but invisible to passersby. The town currently has no central "downtown" gathering spot or town center with clear views of Schweitzer Mountain or the lake.



Meanwhile, a large number of Ponderay's residents are blocked from enjoying the ski resort or the lake due to economic barriers. According to the 2016 U.S. Census, 20 percent of Ponderay residents live below the poverty line compared with 15.4 percent county wide. The median household income is only \$25,539, compared with \$48,097 for the county, and 32 percent of residents receive food stamps, compared with 12.5 percent countywide. The financial realities in our community underscore the need for access to the lake. At the going price of over \$4,100 per linear foot, Lake Pend Oreille frontage is premium real estate, affordable only to the wealthy. This presents an environmental justice disparity in two ways: Lower income residents have been priced off the water; and private, exclusive developments have shut off direct access to the lake and its recreation opportunities to all but the wealthy.

For this impoverished community, close and safe access to the lake will provide an affordable and convenient way to enjoy the region's signature outdoor amenity, Lake Pend Oreille. Lake access

means that residents will be able to fish off the shore, swim in the lake, or just walk along the shoreline and take in the stunning views across Idaho's largest lake to the high peaks beyond.

The vision for the Pend d'Oreille Bay Trail Concept Plan states:

The Pend d'Oreille Bay Trail enriches the lives of residents of Bonner County and its cities by providing a place within walking and cycling distance for personal renewal in nature, reflection on the area's rich natural and cultural heritage, quiet recreation on and near the lake, and safe, non-motorized travel to and from work, school, play, shopping and social events.



Pend d'Oreille Bay Trail

Without a connection to Ponderay, only a portion of this vision is realized for the people who access the trail from Sandpoint. The current average number of trail users is 179 per day, according to ongoing trail count statistics maintained by the Friends of the Pend d'Oreille Bay Trail. On May 26, 2019, a peak of 403 people was recorded on the trail.

A county wide survey that was conducted to help guide a trail plan for Bonner County found that trails are highly valued in the community. Of those surveyed, 75 percent used trails in the past year. About the same number of respondents, more than three-quarters, support development of an expanded, better-connected trail system in the county. In addition, more than half the residents said that proximity to trails and safe places to walk were important factors in choosing where to live. About 20 percent of respondents said they would use trails more if they lived closer to them. The planning of SH-200 is needed to improve safety for pedestrians and bicyclists along this busy corridor, and to improve safe connectivity between Ponderay's traditional neighborhood, the new undercrossing and street, and the City's business center.



Young runner on the Pend d'Oreille Bay Trail

The Centers for Disease Control reports that parks and trails are an important part of a community, allowing people a chance to enjoy the outdoors, and in turn, receive physical and mental health benefits. Access to these facilities encourages residents and non-residents alike to participate in physical activity. Further, using a trail facility has “both environmental and personal health benefits, decrease[ing] air pollution and chronic disease rates and traffic-related injuries.” In turn, this “can reduce chronic disease rates and traffic-related injuries. Physical activity can also help control weight, reduce risks of cardiovascular disease, type 2 diabetes, and some cancers, strengthen bones and muscles, improve mental health, and increase chances of living longer.”¹⁷

These trail benefits are promoted by the National Park Rx Program, a nation-wide initiative to reduce chronic diseases in the U.S. by encouraging health providers to prescribe walks in nature to their patients. In Sandpoint, the Kaniksu Land Trust has sponsored this program, and has rated

¹⁷ Centers for Disease Control and Prevention, 2014, *Parks, Trails and Health*, <https://www.cdc.gov/healthypplaces/healthtopics/parks.htm>.

community trails for the purposes of Park Rx prescriptions. The Pend d'Oreille Bay Trail is one of the parks in the community where patients are directed to take walks for their physical and mental well-being. The undercrossing in Ponderay will give patients in that community easier access to a trail where they can pursue their prescribed outdoor activity.

By transforming the Pend d'Oreille Bay Trail from a dead-end trail into a through trail, it is estimated that trail use would increase by 133 percent.¹⁸ That translates to an increase of approximately 219 users per day in the summer and 83 per day in the winter. Many of these people may be accessing the trail from the communities of Ponderay or Kootenai for any number of reasons; exercise, recreation, relaxation, transportation or education.

The potential for the Pend d'Oreille Bay Trail to be an outdoor classroom is one of the stated benefits of this community trail, both in the trail's Concept Plan and Master Trail and Interpretive Plan. The trail has a rich cultural history story to tell, including the railroads and timber industry, the hobos who made this shoreline a temporary home, and the Kalispel Tribe of Indians who traveled this shoreline as they moved from encampment to encampment. The natural history story is multifaceted, from the native plants and animals and the impacts on them by the Albeni Falls Dam downstream, to the dramatic story of the ice age floods and how they carved this landscape. By opening up this trail with an undercrossing to Ponderay and Kootenai, students from the Kootenai Elementary School will be within walking and biking distance from this shoreline trail, and the opportunity to learn in nature and experience first-hand the natural and cultural heritage of their home.

Perhaps as critical as the undercrossing itself is the gateway that will lead to the undercrossing. The new City street leading to the undercrossing has the potential to become Ponderay's "Main Street," creating a public center to this town that is better known for Home Depot, Wal-Mart, auto dealerships and other shopping destinations. With an undercrossing and a new downtown street, the community will finally have a heart, a place for residents to connect with each other and the natural surroundings close to home. Appropriately, the anchor business for this street will be the Hoot Owl Café, a long-time local business that's known for its owners' commitment to the well-being of the community, demonstrated by their weekly soup kitchen for those struggling to survive. While the Hoot Owl expresses the heart of Ponderay, the new street and undercrossing will help strengthen the connection between people and place.

(2) Secondary Selection Criteria

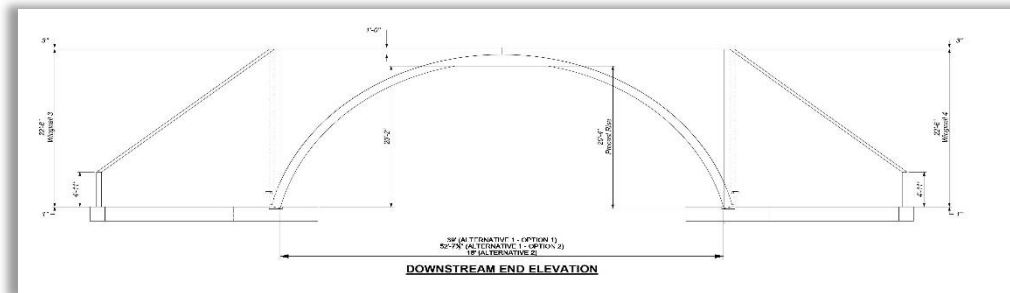
(a) Innovation

i. Innovative Technologies

The qualifications-based selection process the City will use to select and hire an engineer will weigh heavily on the use of innovative technologies, with the intent that these technologies will improve the efficiency of design and construction and reduce the project delivery timeline.

¹⁸ Headwaters Economics, 2019, *Benefit-Cost Analysis of the Ponderay Undercrossing*.

One possible example of an innovative technology is the use of a BEBO arch for the undercrossing structure. BEBO arch units are high quality, low maintenance precast structures which can be used for bridges or under crossings. These precast concrete structures have all the durability advantages of high-quality concrete, without the concern of breakdown of protective coatings, corrosion, or other problems associated with other materials. In addition, the use of a prefabricated structure may reduce the construction timeline.



Another example could include technology that allows the train system to continue to function during design without building a bypass or shoo-fly. Finally, because of the proximity to Lake Pend Oreille, the City of Ponderay is interested in hiring an engineer who will consider innovative and effective stormwater treatment systems for runoff from impervious surfaces, such as artificial wetlands.

ii. Innovative Financing

The State of Idaho allows resort cities with populations of less than 10,000 to levy additional sales taxes over and above the state's sales tax if approved by a supermajority of the City's voters. Ponderay is considered a resort City in Idaho because of the recreation amenities nearby, namely Schweitzer Mountain Resort ski area and Lake Pend Oreille. Currently, the City levies a sales tax on lodging (aka "bed tax"). The source of the local revenue for this planning project is a 2 percent increase – from 5 to 7 percent – in the City's bed tax, which was passed by voters in November of 2017. The increase in the bed tax is expected to generate an estimated \$80,000 per year of new revenue for the City. This new revenue has been designated for a variety of municipal services, including transportation infrastructure, bike paths, parks and recreation. As identified in the Non-Federal Revenue Source section, \$160,000 will be dedicated to this project from bed tax revenues. The City is currently considering the potential for a Local Option Tax.

(b) Partnership

Partners in the Lakeshore Connection Project since 2008 represent a broad array of interests, roles and talents. Key partners include the cities of Ponderay, Sandpoint and Kootenai, Bonner County, IDEQ, Local Highway Technical Assistance Council (LHTAC) and Friends of Pend d'Oreille Bay Trail.

The Lakeshore Connection Project is the outcome of years of active planning involving the cities of Ponderay, Sandpoint and Kootenai, the county, LHTAC, IDEQ, the Friends of the Pend d'Oreille Bay Trail and the public. The concept for a connection to the lakeshore trail was included

in the Urban Area Transportation Plan in 2008 developed by the Urban Area Jurisdictions in Bonner County. Since then, the project has been spearheaded by the cities of Sandpoint and Ponderay. The project also factored into the 2016 U.S. Highway 2/200 Corridor Strategy, in which the cities made multi-modal connectivity a priority in planning. Ponderay is now teaming up with the LHTAC and the cities of Kootenai and Sandpoint to coordinate SH-200 planning with the new proposed street and the undercrossing. Both railroads, Montana Rail Link and BNSF Railways, have been consulted during this planning process and will be consulted in the engineering design and construction.

The planning, design, engineering and construction funded through this grant will facilitate further coordination between the various transportation agencies, with focus on involving the Idaho Transportation Department in the preliminary design of the SH-200 corridor, allowing for future infrastructure improvements along this principal arterial.

The following is a list of active partners in the development of this project. Those marked with an asterisk (*) have provided a letter of support:

PARTNERS	RELATIONSHIP
Montana Rail Link* & BNSF Railway	Cooperating with planning efforts and expressing support for construction of a dedicated and safe undercrossing
Idaho Department of Environmental Quality (IDEQ)*	Working closely with City of Ponderay on Brownfields cleanup in coordination with undercrossing plans
Friends of the Pend d'Oreille Bay Trail (POBT)*	Coordinating public outreach and soliciting private funding for trail and undercrossing planning and construction
Local Highway Technical Assistance Council (LHTAC)*	Providing technical and logistical oversight and will act as project administrator for planning and construction of undercrossing
Northside Fire and EMS	Influencing design to address need for a more efficient means of responding to active emergencies on the lakeshore
Trust for Public Land	Instrumental in securing property for the undercrossing location and research on public financing options
LOR Foundation	Instrumental in securing property for the undercrossing location and funding grant preparation

PARTNERS

Headwaters Economics

RELATIONSHIP

Providing vital information about economics and trails in the region and preparing the benefit-cost analysis for the project

Additional contributing partners include:

Local/State/U.S./Tribal Government

Bonner County Board of Commissioners*
City of Kootenai*
City of Sandpoint*
Idaho Department of Commerce*
Idaho Division of Public Health, Bureau of
Community and Environmental Health
Idaho Department of Parks and Recreation
Recreational Trails Program
Idaho Governor Brad Little*
Idaho State Representative Sage Dixon*
Idaho State Senator Jim Woodward*
Idaho Transportation Department*
Kalispel Tribe of Indians
National Park Service
U.S. Army Corps of Engineers
U.S. Environmental Protection Agency
U.S. Representative Russ Fulcher
U.S. Senator Mike Crapo*
U.S. Senator Jim Risch*

Organizations

American Society of Landscape Architects
Avista Corp.
Bonner County Area Transportation Team*
Bonner County Economic Development
Corporation*
Bonner County Emergency Medical Services
Bonner General Health*
Bonner County Trail Mix Committee
Greater Sandpoint Chamber of Commerce
Idaho Walk Bike Alliance*
Idaho Conservation League
Idaho Fish and Wildlife Foundation
Idaho Operation Lifesaver*
Kaniksu Land Trust*
Lake Pend Oreille School District*
Local Businesses
Panhandle Area Council*
Pend Oreille Pedalers*
Private Landowners in the Trail Corridor
Sandpoint Rotary Club
Selkirk-Pend Oreille Transit

Letters of support are included at *Attachment E*.

A. Project Readiness

1. Technical Feasibility

Using the *Ponderay Undercrossing Technical Analysis Feasibility Study* prepared in March 2017 by AECOM as a foundation, this project will complete engineering, design and construction of the Lakeshore Connection Project. For the railroad grade separation, the design team will be tasked with working closely with Montana Rail Link to address operational needs, constructability challenges and innovation opportunities that minimize freight traffic disturbance. The cost estimate for construction includes contingency and is based on Alternative 2 in the study, using the BEBO Arch Bridge option, while the estimates for NEPA compliance and preliminary engineering on SH-200 is derived from consultants that perform those types of activities

The preliminary design of SH-200 will build on conceptual work completed as part of the 2006 SH-200 Corridor Improvement Plan and the Quad Cities 2-200 Corridor Study. The preliminary design will be tasked with demonstrating technical feasibility as well as design criteria that consider life cycle cost while enhancing the economic development and livability principals.

Project administration will be handled by LHTAC; a state agency that provides technical assistance to 288 local highway jurisdictions around Idaho and has administered many federal-aid projects through the agency's stewardship agreement with the Idaho Transportation Department. LHTAC has the experience, staff and expertise to administer this project on behalf of the City of Ponderay.

2. Project Schedule

The proposed schedule currently starts in May 2020, with all activities substantially complete by November 2023 as follows:

Activity	Timeframe
State and Local Planning Approvals	May 2020
Environmental Specialist Procurement	May 2020
Design Professional Procurement	September 2020
30% Design	December 2020
60% Design Review	August 2021
Issue Draft Environmental Assessment	February 2021
Hearing on Environmental Assessment	April 2021
Issue Finding of No Significant Impacts	August 2021
Railroad Agreement in Place	August 2021
ROW Acquisition Complete	May 2022
PS+E/Bid Package Final	October 2022
Advertise for Bids	January 2023
Award Construction Contract	April 2023
Construction Substantially Complete	November 2023

(c) Required Approvals

(1) Environmental Permits and Review

NEPA review has not started, however, the Lakeshore Connection Project Team has engaged in conversations with the Idaho Division of the Federal Highways Administration (FHWA) for NEPA questions and requirements since May 2018. NEPA will be conducted in its entirety as part of the planning process for the undercrossing, including scoping and the appropriate review. The proposed timeline from solicitation of comments on environmental impacts to public comment and preparation of an Environment Assessment is provided in the Project Schedule section of this application. If no regulatory agency raises voices concern about the affected environment, then an environmental assessment (EA) is likely to be the correct type of review.

To date there has been substantial environmental work done for three separate but related projects, the most recent of which is the Lakeshore Connection Project. For the grade-separated crossing,

preliminary work has been done to prove project viability; however, as a small City in a rural area with limited resources, one of the objectives of this project is to conduct a thorough environmental analysis and ensure all appropriate permitting is provided.

The environmental review will demonstrate compliance with National Historic Preservation Act, Floodplain Management, Wetlands Protection, Endangered Species Act, Sole Source Aquifers, Air Quality, Farmland Protection Policy Act and Environmental Justice. It should identify conformance and compatibility with local land use plans, show consistency with socioeconomic conditions and identify the impacts to the income patterns of the residents in the City. There should also be an analysis on the impacts to community facilities and services.

Documentation for NEPA includes a Section 106 review of historic properties, Section 7 ESA (Endangered Species Act) consultation, geotechnical reports, and a revised Wetland Delineation Report (see 'Other Studies' below). Additional source documents include correspondence with regulatory agencies, evidence of site visits, maps/GIS information, photos, biological resources, hydrology, archaeology, and erosion control and stormwater management. A minimum of one public hearing will be held.

Other Studies

- a) On November 10, 2016, IDEQ's Brownfields program funded Wetland Delineation of the proposed Lakeshore Connection Project area. This approximate 20-acre site has Lake Pend Oreille along the south-east side and rises 50 vertical feet at slopes from 30 to 60 percent to the railroad grade. To the northwest of the railroad grade is relatively flat 10-acre hay field with a 0 to 2 percent slope. Based on the results of the test sites, the lack of hydrophytic vegetation and lack of hydric soil indicators, a potential wetlands map was made. The wetland boundary on the southeast side of the project area stops at the upper edge of the riprap armoring, the northwest boundary is approximately 80 feet on the lakeside of the railroad tracks. The report concluded that final determination of jurisdictional wetlands is subject to approval by the U.S. Army Corps of Engineers.
- b) Of note are IDEQ's Brownfields zones along the lakeshore adjacent to the project area. Fourteen studies were completed from 2001-2014, including historic property inventories, Phase I and II Environmental Site Assessments, human health risk evaluations, groundwater seep investigations, and area-wide planning. Most of the environmental studies were conducted under the Brownfields Coalition Assessment Grant awarded to the coalition consisting of IDEQ, Bonner County and the cities of Kootenai, Ponderay and Sandpoint in 2009.

Two of the fourteen studies were prepared by the USACE, Seattle District, prior to the Coalition Assessment Grant for the property directly adjacent to the project on the lakeshore side of the tracks:

- i) *2003 Black Rock Draft Environmental Assessment for Bank Stabilization in Ponderay, Idaho* is an evaluation of construction of rock riprap stabilization along approximately 3,300 feet of shoreline. The proposed Lakeshore Connection Project area is located within this EA's area of impact. The Corps concluded that based on the EA's analysis, the Black

Rock Bank Stabilization project was not a major Federal action significantly affecting the quality of the human or natural environment, and therefore did not require preparation of an environmental impact statement.

- ii) *2003 Albeni Falls Dam and Pend Oreille Lake Historic Property Inventory of Proposed Black Rock Bank Protection Project, Bonner County, Idaho* documents the results of a series of inventories for historic properties that took place in the 1990's for the Black Rock Bank Protection Project. The inventory-level studies were conducted to support real estate acquisition and environmental coordination for the proposed undertaking, including National Historic Preservation Act (HNPA) Section 106 consultation. The Corps identified the *area of potential effects (APE)* and concluded that the proposed erosion control measures would have no potential to affect historical properties (either by its very nature or restrictions in its APE).

Additional Phase I and Phase II environmental site assessments will be conducted in the vicinity of Black Rock in conjunction with the Brownfields cleanup project recently funded by EPA.

(2) State and Local Approvals

This project will be eligible for the STIP once the grant has been awarded.

(3) Federal Transportation Requirements Affecting State and Local Planning

While there may not be applicable required planning documents for this project, this effort is supported by both Idaho Transportation Department (ITD) and Bonner County Area Transportation Team (BCATT) and will be incorporated into the STIP when funded. This project and reference to SH-200 improvements and the multi-modal transportation network in Ponderay are identified in the following documents:

Bonner County Area Transportation Plan, 2004

Includes Shared Use Path along Ponderay Shoreline connecting Kootenai, Ponderay, and Sandpoint

Urban Area Transportation Plan, 2007

A cooperative effort between Dover, Sandpoint, Ponderay, Kootenai, and the Independent Highway District. A comprehensive transportation plan for the four cities including a travel demand model and a 20-year capital improvement plan. Shows extensive deficiencies in Ponderay, especially SH-200. This plan is currently being updated.

SH-200 Corridor Improvements, 2008

A cooperative effort between Ponderay, Kootenai, and ITD. Based on the Urban Area Transportation Plan this plan focuses on short and long-term capital improvement to SH-200 to improve safety and level of service.

City of Ponderay Comprehensive Plan, 2005

The Land Use, Transportation and Parks and Recreation sections of the Comprehensive Plan references coordinating development of trails/multi-modal pathways with surrounding communities, railroads, Idaho Transportation Department, Bonner County, and Independent Highway District as appropriate.

Quad Cities Highway 2/200 Corridor Strategy, 2016

Design principles in this plan promotes safe multimodal connections. Specifically, it identifies “connecting the Ponderay street grid to the Pend d’Oreille Bay Trail by a proposed grade-separated trail crossing under the Montana Rail Link corridor.” This plan also illustrates a business and pedestrian friendly SH-200 Cross Section and a shared use path along SH-200.

Ponderay Village Subarea Plan, 2017

This project is an extensive planning process that looks at land use, livability and transportation implications for our Brownfields impacted area including the traditional residential neighborhood and town center. The Ponderay Village Subarea Plan lays out a framework for compact traditional development between SH-200 and the proposed undercrossing.

Ponderay Greenbelts and Pathways Plan, 2016

Works to define conservation areas, create transportation corridors along waterways, and extend the shared use pathway network City wide in harmony with the Sub-Area Plan and the Pend d’ Oreille Bay trail master plan.

Ponderay Bicycle and Pedestrian Master Plan, 2015

This document discusses regional multi-modal network on and off-street improvements and shows need for both the lakeshore connection and SH-200.

Comprehensive Economic Development Strategy (CEDS), Idaho Region I, 2014-2019, 2017-2018 Update

The Region’s CEDS is facilitated by the Panhandle Area Council, a U.S. Department of Commerce recognized Economic Development District. A strategy-driven plan for regional economic development, the CEDS is the result of a locally grown, yet regionally owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. The 50+ member committee identified the need to promote bicycle and pedestrian safety, supporting development of multi-modal communities in the Region.

(4) Assessment of Project Risks and Mitigation Strategies

With LHTAC administering this project, from funding award through completion, the City is confident that the bidding and permitting aspects of this project will go smoothly. LHTAC’s

involvement will ensure coordination between all the city and state and federal transportation agencies, as well as provide expert oversight for the engineering and design activities that this grant would fund. In addition, due to the extensive environmental assessment work already completed in the project area, meeting the NEPA requirements by September 2021 is easily expected.

Both railroads, Montana Rail Link and BNSF Railways, have been consulted during this planning process and will be consulted in the engineering and design. The City has been in regular contact with both MRL and BNSF, with railroad representatives visiting the City and touring the proposed undercrossing site and reviewing engineering and other documentation about the project. Both railroads have expressed their earnest desire to assist in this project to resolve the ongoing trespassing problem in Ponderay. While the City at the grant deadline has only a letter of support from MRL, the city is expecting a letter from BNSF to be forthcoming. The City is assured this grant award will provide further impetus for the railroad to work expeditiously with the City to secure an agreement for ROW acquisition by September 2021.

Finally, the City is planning to commit \$160,000 of city funds from the “bed tax” toward this project. The City had aspired to provide a match of \$1 million, but that would rely on passage of a local option tax in November, at the earliest. While the City has good reason to believe the local option tax will pass, if it doesn’t, the City doesn’t have other solid sources of funding to cover a \$1 million obligation. As such, the City cannot commit to more than what is currently available in the City’s revenue stream that’s not already dedicated to other needs. In the unlikely event the bed tax revenue become unavailable, the City has several other options for securing the match funds, including state’s Small Urban Area Transportation program funds (administered by LHTAC), the state’s Recreation Trails Program and Transportation Alternatives Program, and private fundraising with the assistance of the Friends of the Pend d’Oreille Bay Trail. Area private foundations, such as the Equinox Foundation, have contributed to property acquisition along the trail corridor in the past and have expressed a willingness to assist with future needs related to the trail. Therefore, this modest match amount of \$160,000 is one that the City can confidently provide.

VII. BENEFIT COST ANALYSIS

Headwaters Economics prepared a Benefit-Cost Analysis of the Ponderay Undercrossing in April 2017 and updated the analysis in June 2019. The analysis resulted in a benefit-cost ratio of 1.84 for the project. The estimated benefits exceeded costs by \$7.2 million dollars. That includes increased property values estimated at \$3.2 million and reduced mortality due to increased physical activity valued at \$12.3 million. Among the largest non-monetized benefits identified in the analysis were avoided morbidity and mortality due to reduction in railroad trespass occurrences, economic competitiveness from new long-term jobs associated with increased tourism and facilitating Brownfield redevelopment.