Progress Report for HB 2800 – Interstate 5 Bridge Replacement Project
Fourth quarter 2013 (10/1/13 to 12/31/13)

The following information is submitted by the Oregon Department of Transportation following Section 21 of HB 2800, concerning the Interstate Bridge Replacement Project:

> SECTION 21. Each calendar quarter, the Department of Transportation shall prepare and submit a report on the progress of the Interstate 5 bridge replacement project described in Section 2 of this 2013 Act to the Legislative Assembly as provided in ORS 192.245 or, if the report is submitted during the interim between sessions of the Legislative Assembly, to the appropriate interim committees related to transportation.

Information in this progress report addresses project activity during the period October 1 through December 31, 2013:

- Financial planning and investment grade traffic and revenue analysis
- Permitting
- Procurement planning
- Federal Transit Administration (FTA) New Starts application
- Transportation Infrastructure Finance and Innovation Act (TIFIA) funding

Financial Planning and Investment Grade Traffic and Revenue Analysis
The finance plan for the Oregon-led option relies on funding from three major sources: the federal government, the state of Oregon, and toll revenue. The project continued to advance the finance plan development and coordinated review with the office of the Oregon State Treasurer.

Work in this period to support the project's finance plan continued to focus on toll revenue analysis. CDM Smith, Parsons Brinckerhoff and Public Resource Advisory Group (the investment grade consultant team) completed the Investment Grade Analysis in December 2013. Their scope of work and selection was conducted in cooperation with the office of the Oregon State Treasurer, and the findings were provided to their office.

The Investment Grade Analysis concluded that sufficient revenue ($1.35 - $1.57 billion) in net project funding is available to fund the toll-related project elements, under current market conditions, depending on the type of bonds and availability of a federal TIFIA loan. The analysis further concluded that additional revenue capacity could be available to the project if actual conditions are not as conservative as the assumptions and/or if policy decisions are made that adjust the assumptions.

Key assumptions in the Investment Grade Analysis included:

- Toll rates analyzed are at or below the national average for comparable facilities.
- A reduced number of tolled I-5 bridge trips was assumed, ensuring that revenue was not overestimated.
- Toll collection costs associated with the Oregon-led project have been factored into the net revenue estimates.
- Higher than current interest rates are assumed to accommodate potential time of sale and not overestimate revenue.

- Construction begins in fall of 2015 and pre-completion tolling starts no later than January of 2016. State funding is required in February 2014 in order to receive federal funds prior to the start of construction.
- The Oregon legislature has adequate authority to enact enforcement mechanisms to satisfy lenders.

Permitting
In previous quarters, the project conducted significant work toward securing project permits including the U.S. Coast Guard General Bridge permit, U.S. Army Corps of Engineers Navigation 408 permit application, Endangered Species Act consultation with National Marine Fisheries Service and state water quality certifications.

In this quarter, efforts focused on executing an Intergovernmental Agreement with U.S. Army Corps of Engineers and engaging consultant assistance to conduct ship simulation as part of the multi-step Section 408 permit. Additionally, the team continued analysis needed for local land use permitting processes.

Procurement Planning
CRC project staff continued the development of draft documentation necessary to solicit several future construction procurement packages, including the design-build River Crossing, Washington Transit, Mainland Connector and Transit Systems contracts. During this period, project staff focused primarily on the River Crossing package, the largest of the construction contracts. A request for qualifications for the River Crossing package was prepared and will be available for release, should state construction funding be committed. Work also continued on a request for proposals, which would be released approximately two months after release of a request for qualifications.

FTA New Starts Application
The project continued work on deliverables related to pursuit of the FTA New Starts Full Funding Grant Agreement (FFGA), slated for full application in 2014. Key deliverables required by FTA are ongoing.

A primary focus of these efforts included updates to the Project Management Plan and associated subplans. This work is ongoing. Additional work during this period was performed in support of procurement planning for River Crossing, Washington Transit, Mainland Connector and Transit Systems contracts, as they relate to future New Starts application submittals.

TIFIA Funding
The project's finance plan includes a $900 million loan from the FHWA TIFIA program that will be repaid with toll revenue. Preliminary information on the project and its status was discussed with the FHWA TIFIA Office as a preliminary step to submitting an official Letter of Interest (LOI) in early 2014.