

HB 2696 ?

# COASTAL PARKWAY - BYPASS PLAN

Connecting I-5 to McMinnville, Oregon (An Alternative Dundee Bypass)

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The Coastal Parkway would be constructed as a P3 (Public Private Partnership) to solve the Newberg-Dundee traffic problem by delivering a limited access, high safety standard highway from I-5 to the west end of McMinnville and not require any funds from taxpayers or from other Oregon funding resources. The methods and paradigms for providing transportation infrastructure and project delivery systems have changed. The State of Oregon has anticipated providing tolled and alternative highway project delivery methods through ORS 383. The Coastal Parkway would connect Highway 18 to I-5, which is an approximate distance of 12 to 14 miles. No portions of existing Oregon Public Highways would be tolled. Private financing and a Design-Build Delivery method with Oregon based Contractors and Designers would be used to construct the Parkway, with construction beginning as soon as 2015 with completion as early as 2016.

The Coastal Parkway route provides the best response to travel needs of any other alternative developed. Traffic gridlocks are having an increasingly negative social and economic impact on the citizens of the region and the State of Oregon. "Failure to invest adequately in transportation improvements will lead to additional travel delay and associated reductions in market access, and will result in a potential income loss valued at of \$1.7 billion annually in Value Added generated in Oregon by 2025, with a loss of 16,000 ongoing jobs" - according to the "The Cost of Highway Limitations and Traffic Delay to Oregon's Economy Executive Summary", dated March 2007 and prepared for the Oregon Business Council and Portland Business Alliance; prepared by the Economic Development Research Group, Inc., Boston, MA.

The current guidelines include, but are not limited to, the following items:

- The Coastal Parkway is an optional route for traffic which normally travels Highway 18 and Highway 99 W. The traveling public can choose to travel the tolled Coastal Parkway route (connecting Highway 18 to I-5) or take the non-tolled Highway 18 or Highway 99-W routes. No portions of existing Oregon Public Highways would be tolled.
- The estimated budget for construction portion of the Coastal Parkway is \$280 to \$340 million.
- The project will be built with private financing resources and utilize Oregon designers and contractors.
- This project was developed by a private entity known as The Coastal Parkway LLC. The Project will be monitored and delivered to the State of Oregon via a non-profit LLC established to monitor and oversee the design and construction of the Coastal Parkway.
- Use Oregon Based Contractors following a Design-Build Delivery method focused on (1) experience, qualification & history, (2) construction dispute or customer satisfaction history, (3) proposal plan & schedule, (4) price, (5) quality, (6) ability to perform and (7) other factors.
- Once the private debt on the tolled route is paid off, the road would be given to the State of Oregon "Debt Free" and in an "As New Condition"
- After the initial startup time, there will be an increase in traffic and tolls. This excess revenue from the tolls would be utilized to deliver projects in a Design-Build delivery method to be used for secondary public highway projects (87.5%) and non-highway, non-profit community projects (12.5%) – community projects could include bike paths, river front cleanup, added school facilities or other projects to enhance the communities in the project area.

No affordable solution that would solve the traffic problem has been made available thru traditional methods and channels, since the current ODOT design referred to as the "Newberg-Dundee Bypass" would cost close to \$1 Billion and the needed public funds are not available – other than \$192 million in stimulus funds provided on the first phase only. The needed funds for the second and third phases have no current or projected source.

This plan is NOT a forced toll plan. The Coastal Parkway is an optional route for traffic which normally travels Highway 18 and Highway 99 W. The traveling public can choose to travel the tolled Coastal Parkway route or take the non-tolled Highway 18 or Highway 99-W routes. No portions of existing Oregon Public Highways would be tolled.

The Coastal Parkway Project would provide a unique solution since it pays for itself, generates an estimated \$800 Million in revenue to fund added community and secondary highway projects in the area and delivers long-range transportation for the least-cost under limited public resources well into the 21st Century.

The Coastal Parkway addresses Governor Kitzhaber's Six Principals that address the need for creative transitions in transportation and new ways of doing business for Oregonians. With the added benefits and income from the Coastal Parkway "optional route", additional highway and community projects will flow to the ultimate owners and beneficiaries of the Coastal Parkway - the citizens of Oregon.

The estimated duration of the tolling period for debt retirement of the Coastal Parkway is 30 years. The Oregon Legislature can elect to extend the tolling duration of the Coastal Parkway section to fund an extended four-lane limited access, safety focused, low impact highway to the Oregon Coast. As with the original Coastal Parkway plan, the only section tolled would be the Coastal Parkway route (connecting Highway 18 to I-5). Highways 18 and Highway 99-W would remain toll free, with the additional highway upgrades being funded by the tolls on the Coastal Parkway only. As stated earlier, no portions of existing Oregon Public Highways would be tolled.

The Coastal Parkway would be monitored and delivered to the State of Oregon through a non-profit Coastal Parkway Delivery Entity established to monitor and oversee the Right-of-Way acquisition, design, construction, operation of the Coastal Parkway and oversee distribution of excess funds delivered in a Design-Build delivery method, for secondary highway projects and non-profit community projects. "Excess Funds" would be those left after (1) retirement of the private financing debt, (2) operational expenses or (3) reserves for upgrades, repairs and projected restoration to an "as new condition" for the Parkway prior to delivering ownership to the State of Oregon. Members of this non-profit Coastal Parkway Delivery Entity would include:

1. One member appointed by the Governor
2. One member appointed by each of the counties where the Parkway is located (Marion & Yamhill)
3. Two members appointed by the Coastal Parkway LLC initiating the project
4. One member appointed by the entity providing the seed funds for the Parkway
5. One single member representing and selected by a majority written vote by a combination of stakeholders represented various Oregon non-profit community and industry groups.
6. If there is an even number of members for the non-profit Coastal Parkway Delivery Entity, the Governor shall appoint a final member to give an odd number of members and assure a majority decision on any relevant matters.

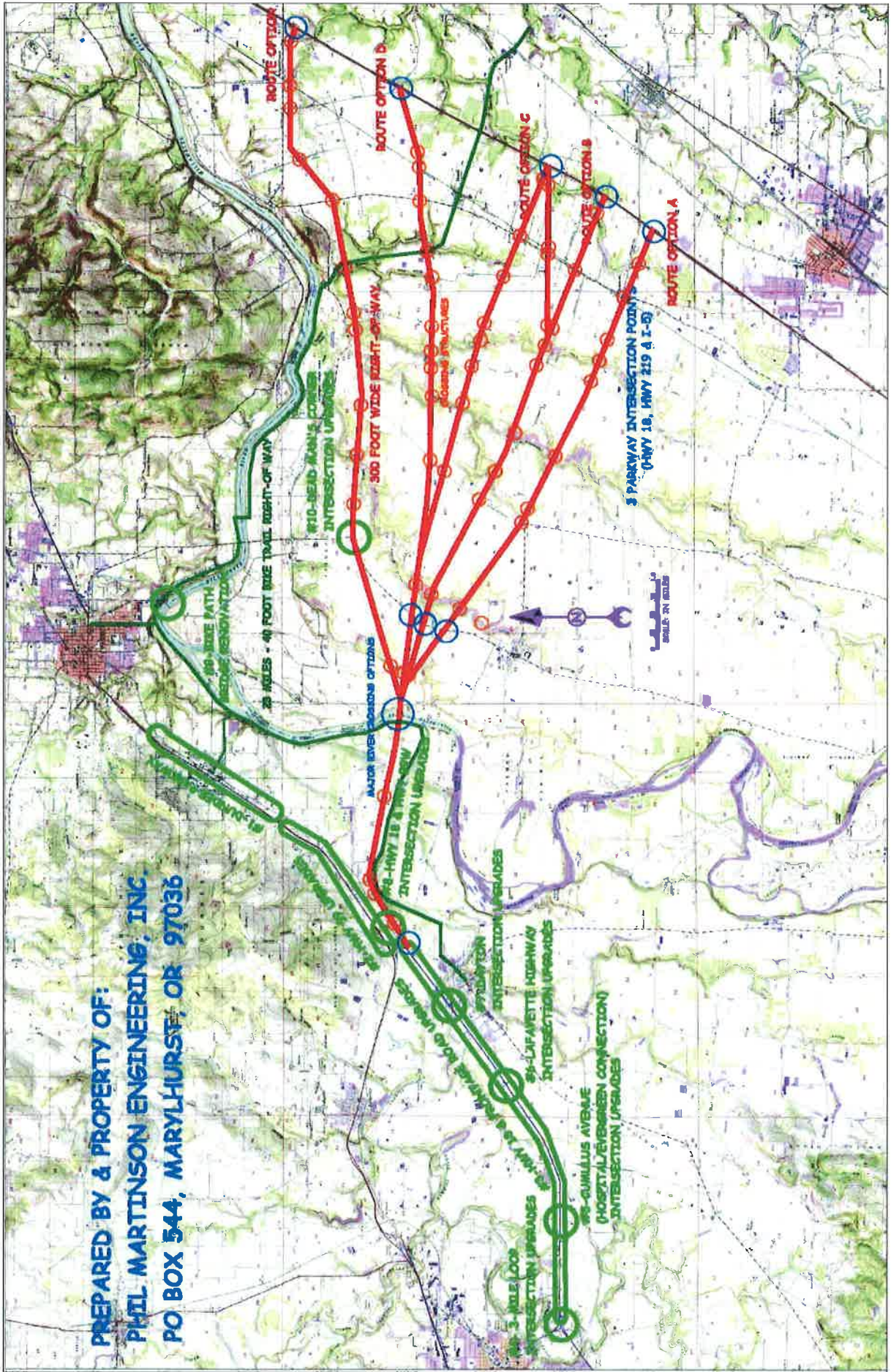
No direct funds would be required from the state of Oregon. The State of Oregon would provide the following support and participation (most items are already allowed under 383):

1. Guarantee of tolling shortfalls
2. Expedited planning process – Supported by the Governor and Mandated by the Legislature
3. Power of Condemnation - Eminent Domain (This would only be used as a last alternative - Coastal Parkway's Plan is to purchase a full piece of property, pull out the Right-of-Way needed, then sell the orphaned or remainder parcels; avoiding the creation of a forced strip of right-of-way purchase)
4. Support of the Coastal Parkway to complete secondary Design-Build Projects on State owned highway Right-of-Ways for highway upgrades (primarily Highway 18 and Highway 99 W).
5. ODOT (Oregon Department of Transportation) would perform maintenance, safety and law enforcement for the Coastal Parkway – treated as any other public road, with the maintenance and other costs funded by gas tax revenues. Major repairs would be performed by the Coastal Parkway.

The State of Oregon would receive final ownership of the Coastal Parkway. The debt from the private financing for the Project can be repaid in as little as 30 years. Once all parkway costs, expenses and fees are reimbursed from the tolls, all encumbrances will be removed and the citizens of Oregon will own the parkway "free and clear" and tolling would be eliminated.

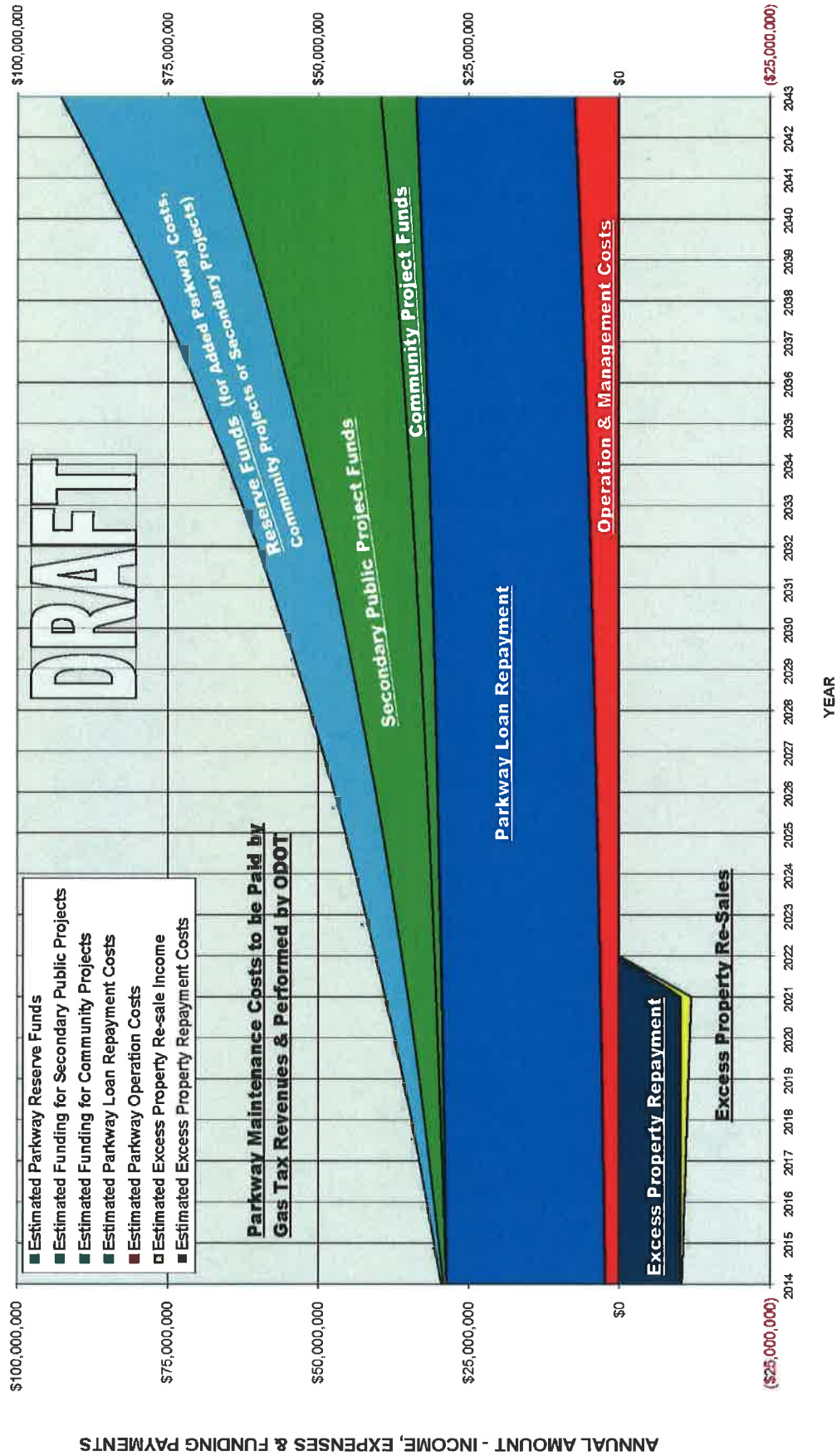
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**30 YEAR CASH FLOW CHART - DEBT FUNDED**



Note: The numbers presented are estimates only. This sheet is intellectual property owned by Phil Martinson Engineering, Inc. Prepared for Coastal Parkway LLC. Cash Flow Chart-Loans

<b>Comparison - ODOT Route vs. Coastal Parkway</b>	<b>Current ODOT Plan</b>	<b>Coastal Parkway Plan</b>
<b>Taxpayer Cost of \$900 Million</b>	<b>\$900 M</b>	<b>\$0</b>
<b>Full Build Out Time Frame</b>	<b>30+ Years?</b>	<b>3 Years <sup>(1)</sup></b>
<b>Taxpayer Cost \$0 - Paid by Toll</b>	<b>---</b>	<b>X</b>
<b>Future Secondary Roads &amp; Projects - Up to \$700 Million</b>	<b>---</b>	<b>X</b>
<b>Future Community &amp; Environment Projects - Up to \$100 Million</b>	<b>---</b>	<b>X</b>
<b>Added Funding for Community Roads &amp; Projects</b>	<b>---</b>	<b>\$800 M</b>

- (1) Full Build Out for the Coastal Parkway is 2 Years after All Approvals.
- (2) The ODOT Route Appears to leave a 2-lane stretch of highway, 3 miles long, from the McMinnville airport to east of the Yamhill River at Dayton that remains unbuilt.
- (3) The Coastal Parkway provides a full 4-lanes from I-5, and includes the 3 miles long portion, from the McMinnville airport to east of the Yamhill River at Dayton, fully built to 4-lanes.
- (4) The Coastal Parkway Environmental Projects include River Clean-up & Enhancement, Bicycle Paths, Added School Facilities, Pedestrian Access Enhancements, Etc.
- (5) The Coastal Parkway also includes building upgrades of a second lower-speed Community Parkway on Highway 99 through Newberg & Dundee to benefit local travel & access.

### **Coastal Parkway Comments by Gary Bliss**

In 2001 the City Council of Newberg developed a draft vision statement for the City;

“The Willamette River has been reclaimed and is now an integral part of the community. A riverfront park has been developed that connects Newberg with Dundee and other parts of the region. The City, County, and State have been involved in creating a beautiful park that is the community gathering place. It is “the spot” for the region to gather and helps to support the sense of community and rejuvenated downtown.”

The ODOT Phase I of the Newberg – Dundee Bypass is planned to extend from the SW side of Dundee to HWY 219 southerly of HWY 99 near the SE side of Newberg. Its route will be along the north side of the Willamette River as it passes through Newberg.

The City of Newberg developed a Riverfront Master Plan for the development of the north edge of the Willamette River in 2002. The Riverfront Master Plan project area is south of the city limits but inside the city’s urban growth boundary. The purpose of the plan is to re-establish the historically important connection between the river and the greater community. The Master Plan consists of the development of the river front to include residential housing, riverfront commercial, and open space, as well as increased water recreation uses. The proposed Phase I By-Pass route bisects the Master Plan area along its northern area, thereby severing the river front development from the main city proper. This will be detrimental to the development of the river frontage as well as to maintaining multiuse access to the river frontage from the main body of Newberg lying to the north.

From environmental studies of the riverfront area and the routing of the by-pass, it appears that existing wetlands will also be impacted by the road route.

**Senior Environmentalist, Mr. Keith G. Hay**  
**Newberg, OR**  
**Certified Wildlife Biologist, 50+ years experience**

## **Environmental Impacts of** **The Current ODOT Newberg-Dundee By-Pass Plan**

Livability has long been the greatest concern of local citizens in Newberg and Dundee according to surveys conducted by Oregon State University and others over the years. The most permanent and devastating environmental impact to our livability would be the construction of a four-lane high-speed, high-volume expressway passing through the City of Newberg and its southern neighborhoods and through Dundee's Riverfront Urban Growth Boundary. This action would forever reduce the quality-of-life for local citizens by increasing noise and air pollution and would create a physical barrier between these cities and their greatest natural asset - the Willamette River Corridor. Newberg's long-awaited Riverfront Master Plan, with its vision for a quiet, lineal recreational region along the Willamette's banks and linked by pathways to the city's center and its historic sites and parks (as currently enjoyed by Willamette River communities from Portland to Eugene) would be comprised if not permanently shattered. Also impacted would be Chehalem Parks and Recreation District's plan to develop a Chehalem Historical Greenway Trail extending along the Willamette River from Champoeg to Dundee.

Other environmental impacts involve the hundreds of acres of prime fish and wildlife habitat that would be altered or destroyed. The agricultural history of this region has largely concentrated wildlife resources along our river and stream corridors. The by-pass would require crossings at Hess Creek, South Hess Creek, Chehalem and Springbrook Creeks (all protected by Goal 5 restrictions). These streams, and their floodplains, provide protection and habitat for the early stages of Spring Chinook, steelhead, rainbow and cutthroat trout and Coho salmon. The by-pass would be some 300 feet wide, and would impact high quality terrestrial wildlife habitat including vegetative cover, riparian buffers and upland zones and block six major wildlife movement corridors that provide essential connectivity to the Willamette River. It would further produce a growth in travel and development in the area and result in increased pollutant loading to the Willamette River and increase water temperatures, loss of habitat and ecological function.

As a member of the Yamhill County Regional Transportation Steering Committee, I firmly believe that the environmental impacts of this proposed project, as briefly outlined here, far exceed the long-term benefits to be achieved. Keith G. Hay