

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	14 - 2 - 0
Senate Yeas:	Edwards, Monroe, Beyer, Starr
Senate Nays:	Girod, Thomsen
House Yeas:	Cameron, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Bentz, Read,
House Nays:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/11, 2/18

WHAT THE MEASURE DOES: Declares state interest in undertaking Interstate 5 bridge replacement project. Sets maximum cost of \$3.413 billion for project. Limits outstanding bonds for project financing to \$450 million at any one time and outlines conditions that must be met before bonds may be issued. Authorizes acquisition of real property for Interstate 5 bridge replacement project. Specifies moneys from State Highway Fund may be used for financing costs of bridge projects. Authorizes Oregon Transportation Commission to enter into bi-state tolling agreements and limits use of toll revenues to project. Specifies penalty for persons who fail to pay toll for using Interstate 5 bridge. Outlines approved use of bond proceeds. Outlines moneys that may be used for repayment of bonds for project and moneys that may not be used to repay bonds related to the project. Specifies requirements related to contracts for construction of bridge, including use of materials produced in United States, nondiscrimination in contract awards, mentoring opportunities for inexperienced contractors and apprenticeship. Directs Department of Transportation to conduct studies on establishing fund to address air quality and other public health concerns related to Interstate 5 bridge replacement project, on determining locations in Oregon for stationing construction materials, and on strategies to mitigate diversion to Interstate 205. Directs Department to report to Legislative Assembly by September 2014 and to report quarterly on progress of project until January 2024. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History of development of project
- Cost, scope, purpose and need of project
- Possible alternatives to project

EFFECT OF COMMITTEE AMENDMENT: Revises section 3 to specify that outstanding bonds are to be used to fund Oregon's share of the aggregated contribution from Oregon and the State of Washington as described in the Final Environmental Impact Statement and that it is the intent for federal funding and toll revenues be used directly for the project, to repay other borrowing for the project, or pledged to lower the cost of other borrowing for the project. Revises stipulations required to issue bonds or finance the project to include reference to the Final Environmental Impact Statement and Record of Decision. Revises required full funding grant agreement from \$800 million to \$850 million and specifies source as Federal Transit Administration. Revises review requirement for State Treasurer necessary for issuing bonds or financing the project. Expands authority for Oregon Transportation Commission's intergovernmental agreement with State of Washington to include traffic demand management. Specifies that moneys in State Highway Fund otherwise pledged or dedicated to other purposes may be used for subordinate lien if allowed by law or contract. Clarifies authority to waive requirement for use of domestically produced steel and iron in event that insufficient quantities or quality of materials are available domestically. Revises language related to disadvantaged, minority, women or emerging small business enterprises in Section 18(3). Increases contract/subcontract minimum value for application of 10 percent work hours for contractors with apprenticeship programs from \$100,000 to \$250,000. Revises requirements in Section 19 for study by Oregon Transportation Commission to include determining locations in state to maintain construction materials for project and developing strategies for managing potential diversion impacts on Interstate 205. Adds new section to require quarterly project progress reports by Department to Legislative Assembly and to appropriate interim legislative committees until January 2024.

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This summary has not been adopted or officially endorsed by action of the committee.

BACKGROUND: The Interstate 5 bridge replacement project is a bridge, transit, highway, bicycle, and pedestrian improvement project proposed by the Oregon Department of Transportation (ODOT), the Washington State Department of Transportation (WSDOT), and federal and local agencies. The project proposes to replace the existing two highway spans on Interstate 5 (I-5) across the Columbia River with two new spans, along with new interchanges on both the Oregon and Washington sides of the river and extension of light rail public transit into Vancouver, Washington. The project focuses on a five-mile segment of the I-5 corridor, beginning at State Route 500 in northern Vancouver and extending to just north of Columbia Boulevard in north Portland. The project's stated intent is to improve safety, reduce traffic congestion, increase mobility of motorists, freight traffic, transit riders, bicyclists and pedestrians, and to mitigate seismic risks.

The cost for the replacement of the existing I-5 bridges and improvements to five interchanges outlined in the Record of Decision (ROD) is currently estimated between \$3.1 billion and \$3.5 billion. The cost breakdown is roughly: \$1.2 billion for replacing the river bridges and approaches; \$850 million light rail transit extension; \$435 million for roadway and interchanges in Washington; and \$595 million for roadway and interchanges in Oregon. Responsibility for providing funding for the project would be split evenly between the federal government, the combined contributions of Oregon and Washington, and revenues generated by tolls. The federal New Starts program is expected to provide the cost of the light rail portion (\$850 million), and other federal funding could provide as much as \$400 million in grants from the Federal Highway Administration. Tolling is expected to provide between \$900 million and \$1.3 billion, and will be codified in an intergovernmental agreement that will govern toll setting, administration, debt allocation, and other issues. Finally, each state would be responsible for contributing approximately \$450 million to cover the cost of interchange improvements on their respective sides of the Columbia River.