

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2800 A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Declares that it is in state's interest to undertake Interstate 5 bridge replacement project.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT), Oregon State Treasurer, Bonding

Summary of Expenditure Impact:

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	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds	3,529,180	198,000
Debt Service	27,600,000	55,200,000
Total Funds	\$31,129,180	\$55,398,000
Positions		

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill indicates that the State Treasurer may not have more than \$450.0 million in bonds at any time for the purpose of the Interstate 5 Bridge Project. The bill specifies circumstance that must be met before the bonds may be issued. Including the State of Washington appropriating sufficient funds by September 30, 2013; submission of a grant agreement application to the USDOT; meeting the requirements of the finance section of the Final Environmental Impact Statement for the project; the State Treasurer has participated and approved the findings of an investment grade analysis of the project's toll revenues; and the US Coast Guard has issued a general bridge permit for the main channel of the Columbia River.

In addition, the bill changes several public contracting provisions, including, Buy America, Disadvantaged Business Enterprise (DBE) participation, apprenticeship provisions, contract sizing to increase small business participation, and a dispute resolution process. The bill also requires ODOT to undertake three studies; 1) a study and recommendations for establishing a fund to address air quality and other public health concerns; 2) determining locations for staging materials; and 3) developing strategies for potential traffic diversion to the I-205 Bridge and the effect on toll revenue. ODOT is also required to submit quarterly progress reports to the Legislative Assembly.

The \$55.2 million per biennium debt service for the project will be paid out of current revenues, as allowed by law and federal highway funds. The \$3.5 million Other Funds (OF) includes issuance costs,

rating agency fees, trustee, fiscal agent, and Oregon State Treasury debt monitoring fees. Ongoing bond administration fees will be \$198,000 per biennium.. This may result in reallocation of funds to projects in the Statewide Transportation Improvement Program (STIP).

Under current law, The Oregon Transportation Commission (OTC) has the authority to establish toll ways and toll rates. OTC will work with the Washington Department of Transportation to set tolls for the I-5 Bridge. At this time the toll rates have not been set and anticipated revenues are not known. OTC may also secure a loan through the federal government's Transportation Infrastructure Finance and Innovation Act (TIFIA) and may include toll-backed revenue bonds.