

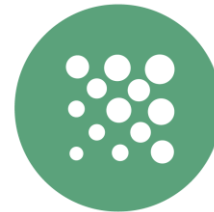


Financing ODOT's Urban Mobility Strategy

How we got here.



• **2015-2016:** Governor & Legislative led transportation visioning panel with meetings around the state



• **2020-2021: Urban Mobility Strategy adopted** to coordinate all projects for climate, equity, safety and mobility



• **2017: House Bill 2017 passed** – identified core projects and gave direction to study and implement a toll program for congestion relief



• **2021: House Bill 3055 passed** – allows for financial flexibility to deliver core projects, including toll program development

Responding to Legislative Direction

The Legislature, through HB 2017 (2017), directed the OTC to utilize its existing authority to implement value pricing on certain sections of I-5 and I-205.

(Traffic Congestion Relief Program)

SECTION 120. (1) The Oregon Transportation Commission shall establish a traffic congestion relief program.

(2) No later than December 31, 2018, the commission shall seek approval from the Federal Highway Administration, if required by federal law, to implement value pricing as described in this section.

(3) After seeking and receiving approval from the Federal Highway Administration, the commission shall implement value pricing to reduce traffic congestion. Value pricing may include, but is not limited to, variable time-of-day pricing. The commission shall implement value pricing in the following locations:

(a) On Interstate 205, beginning at the Washington state line and ending where it intersects with Interstate 5 in this state.

(b) On Interstate 5, beginning at the Washington state line and ending where it intersects with Interstate 205.

(4) In addition to areas listed in subsection (3) of this section, the commission may implement value pricing in other areas of this state.

Through HB 3055, the Legislature expanded the use of the “Rose Quarter \$30 million.”

TRANSPORTATION PROJECTS

SECTION 130. ORS 367.095 is amended to read:

367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.

(b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091 and 803.422.

(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:

(a)(A) For calendar years beginning on or after January 1, 2022, \$30 million per year shall be used to pay for:

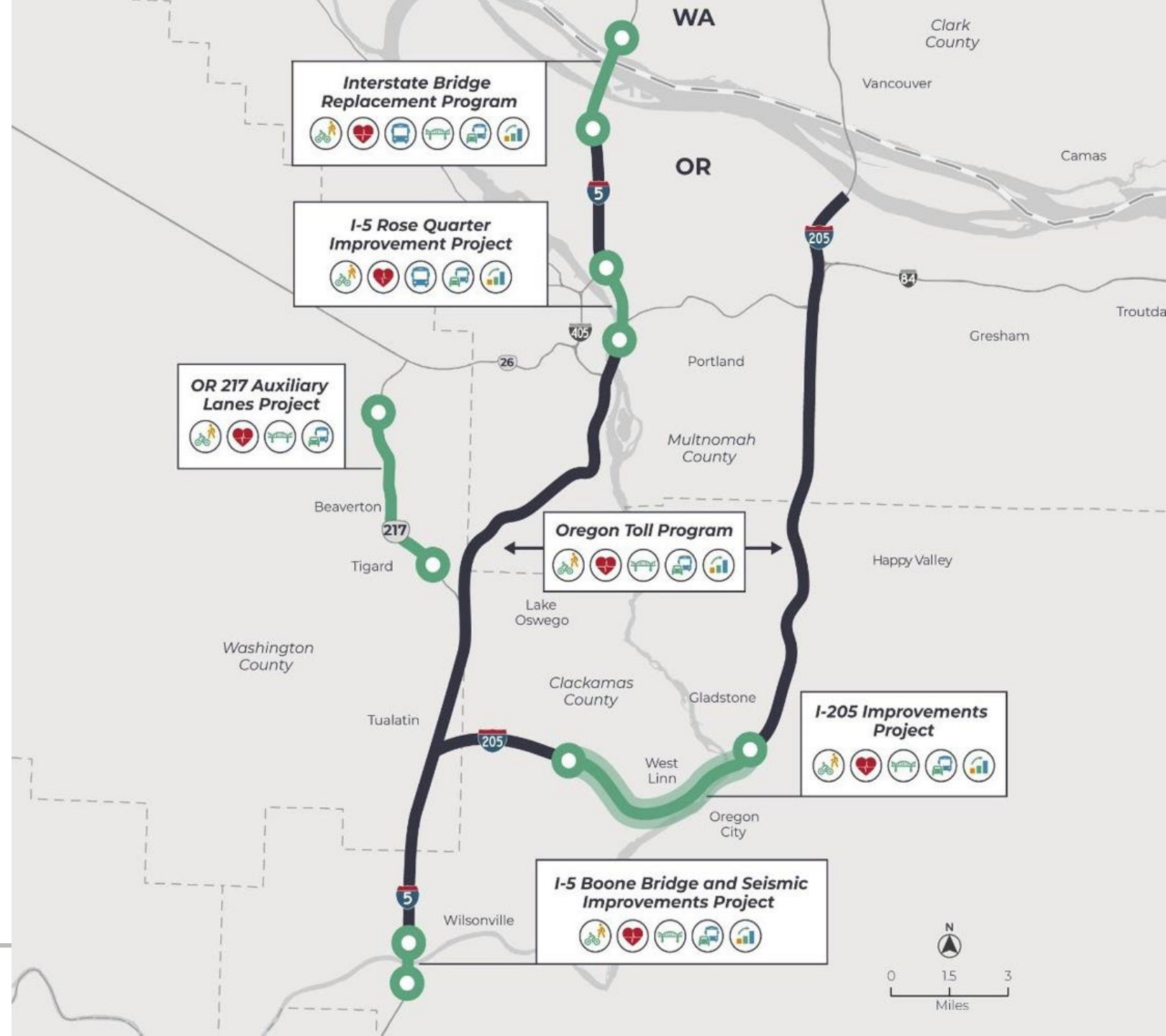
(i) The Interstate 5 Rose Quarter Project;

(ii) The Interstate 205 Improvements: Stafford Road to Oregon Route 213 Project;

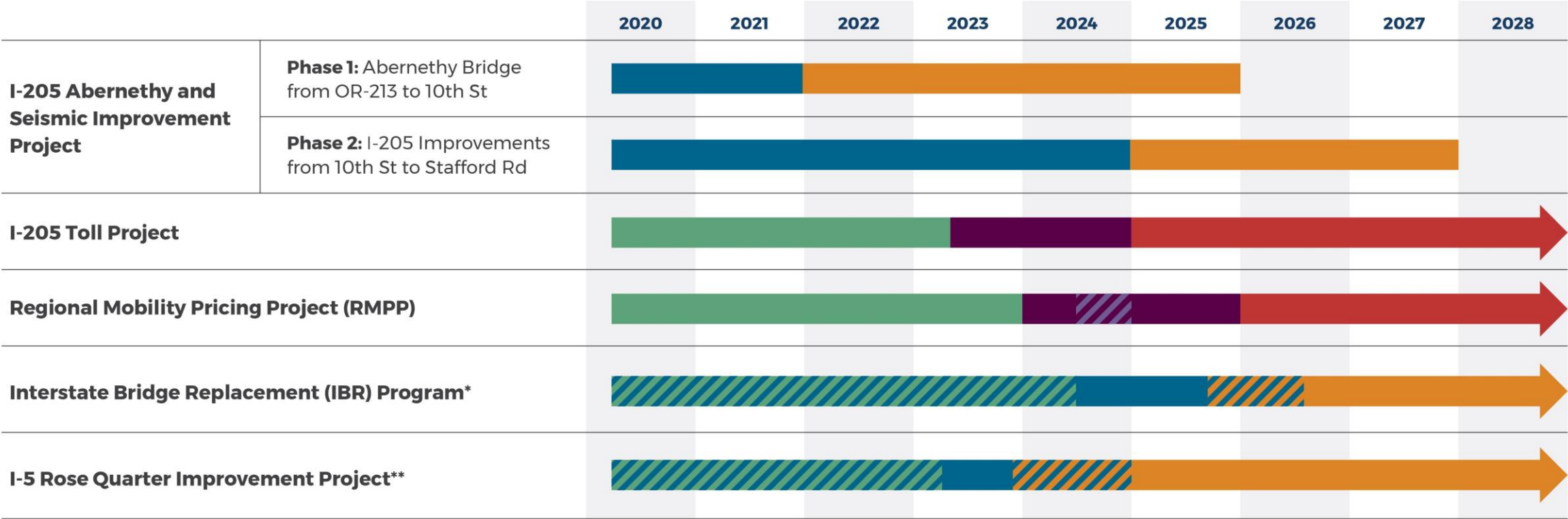
(iii) The Interstate 5 Boone Bridge and Seismic Improvement Project; and

(iv) The implementation of the toll program established under ORS 383.150.

ODOT Led Projects



URBAN MOBILITY STRATEGY – CORE PORTLAND METROPOLITAN AREA PROJECTS



Legend

-  Planning and NEPA Phase
-  Planning and NEPA / Design Phase
-  Design Phase
-  Construction Phase
-  Design / Construction Phase (Alternative Delivery)
-  Design, Build, Test, and Implement Phase
-  Design, Build, Test, and Implement Phase / Federal Approval Process
-  Toll Operations Phase

* IBR Program construction ends in year 2035

** I-5 Rose Quarter Improvement Project construction ends in year 2029

UMS Funding Sources

Guaranteed Revenue

- HB 2017 (cash and bonding)
- Federal formula funds
- Other State funding sources
- Local contributions

Prospective Funding

- Tolling revenue
- Federal discretionary grants

Federal Funding Opportunities under IIJA

INFRA

\$8B

MEGA

\$5B

Bridge

\$12.5B

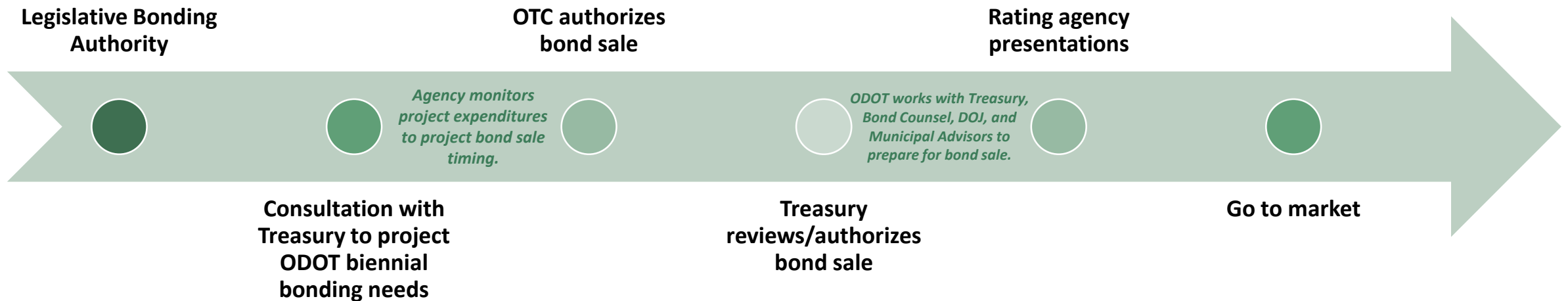
**Reconnecting
Communities**

\$1B

Financing Instruments

- Highway User Tax Revenue Bonds
- Short-term Borrowing
- Toll-backed Bonds
- Transportation Infrastructure Finance and Innovation (TIFIA) Loans

Highway User Tax Revenue Bonds



SHORT-TERM BORROWING

SECTION 82. ORS 367.105 is amended to read:

367.105. (1) In addition to the authority for short-term borrowing granted in ORS 286A.025 (2)(d) and 286A.045, the Department of Transportation, acting through the State Treasurer, may borrow money by entering into a credit agreement, a line of credit or a revolving line of credit, or by issuing a note, a warrant, a short-term promissory note, commercial paper or another similar obligation, for the following purposes:

(a) Providing matching funds as set forth in ORS 366.564.

(b) Providing funds with which to pay when due the principal or interest of bonded indebtedness created for highway purposes, the payment of which is necessary to preserve the financial credit of the state.

(c) Meeting emergencies.

(d) Providing funds for use by the department during times when expenditures exceed revenues, whether or not the department anticipated that expenditures would exceed revenues.

(e) Providing funds for the payment of current expenses in anticipation of revenue, grants or other moneys intended for payment of the current expenses.

(f) Providing funds for interim financing of a capital asset or project to be undertaken by the department.

(g) Refunding an outstanding obligation.

(2) Short-term borrowing under this section may be in such denominations or for such sums as the department fixes and may draw interest at a negotiated rate.

(3) The total outstanding indebtedness created by the short-term borrowing under this section may not exceed ~~[\$100]~~ **\$600** million in outstanding principal amount.

Short-term Borrowing

- *HB 3055 increased ODOT's short-term borrowing authority to \$600 million, with a 5 year maturity limit.*
- *Used to provide project liquidity until long-term financing can be achieved.*
- *Expenditures are limited to eligible capital expenditures.*
- *Is not "new" money, rather only advances planned long-term financing.*

In November 2022, ODOT and the Oregon State Treasury closed on a \$500 million Commercial Paper program.

Short-term notes are sold to investors, with maturities between 1 and 270 days, to provide liquidity for projects.

Notes can be paid off, or "rolled" with new notes (i.e. refinanced).

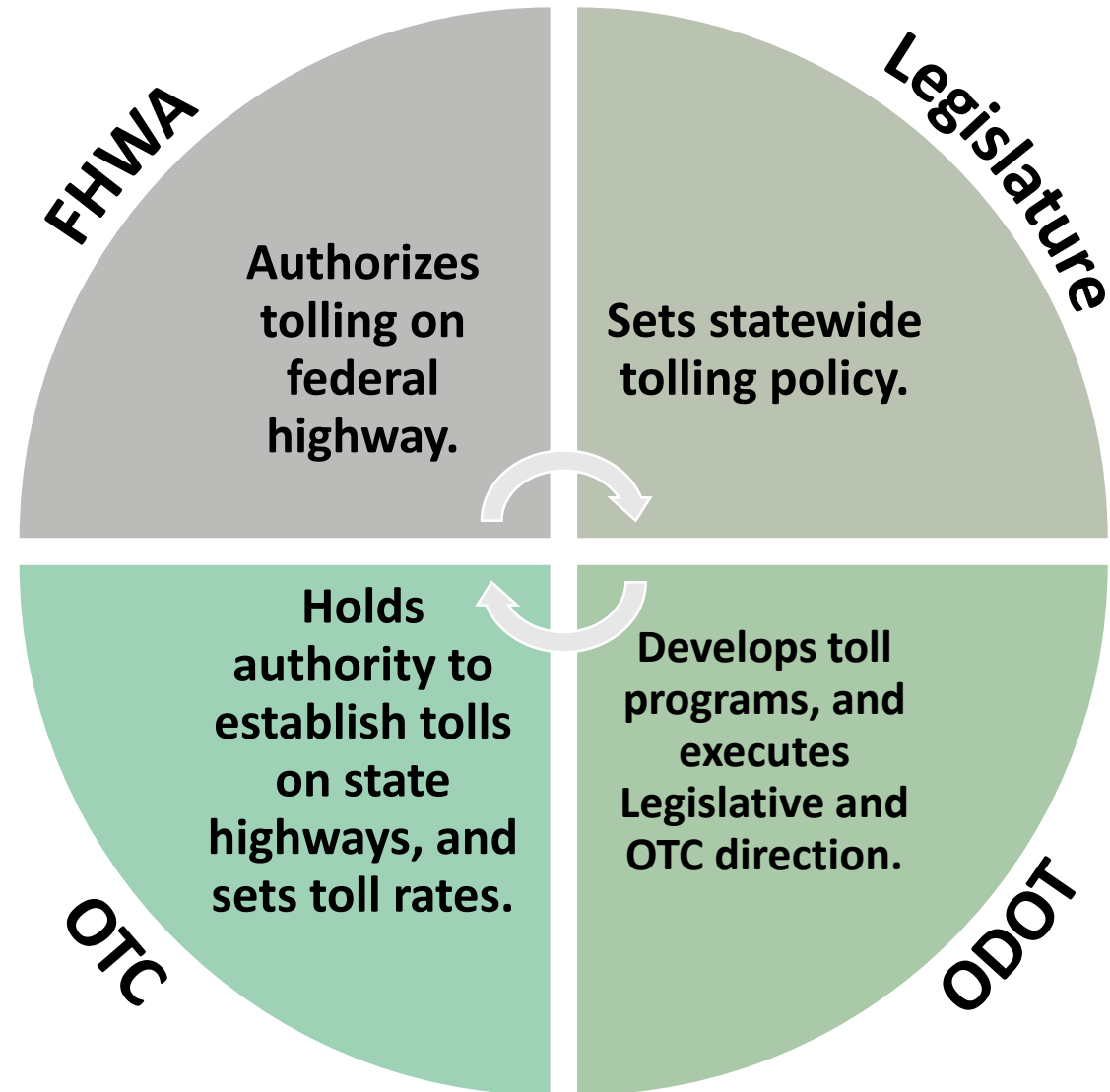
ODOT's Commercial Paper balance is paid off when long-term financing can be achieved (e.g. toll revenue bonds).

Tolling

All lanes, all electronic, no stopping



Tolling Roles & Responsibilities



Financing Tolling Stand-up

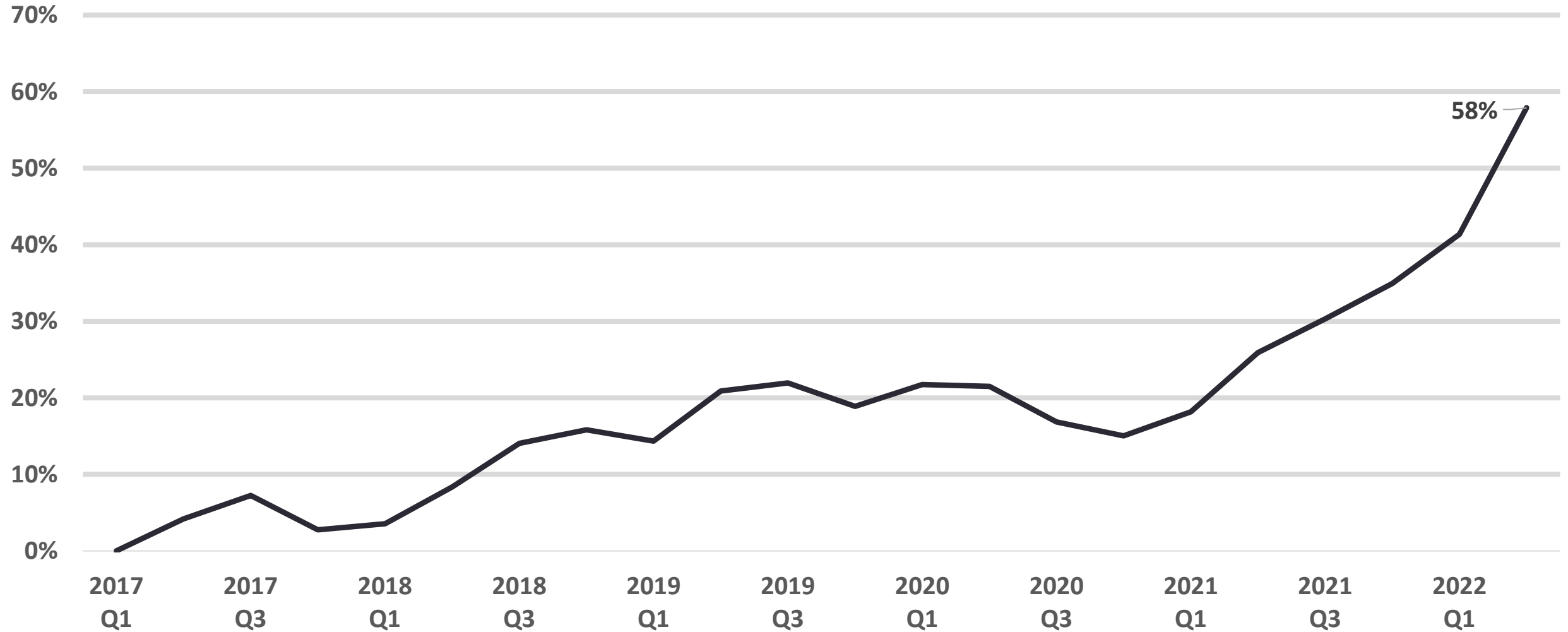
Source (\$M)	Planning/PE/ ROW	Construction/ Other
205 Tolling		
Other Federal/State/Local	\$38	
RMPP		
Other Federal/State/Local	\$63	
Statewide/Back-office		
Other Federal/State/Local		\$110
Total Sources	\$101	\$110
Total Projected Cost	\$350-\$450	
Unfunded Amount	\$139-\$239	

Potential Funding Source
Toll revenues



National Highway Construction Cost Index

Base Year: 2017, Q1

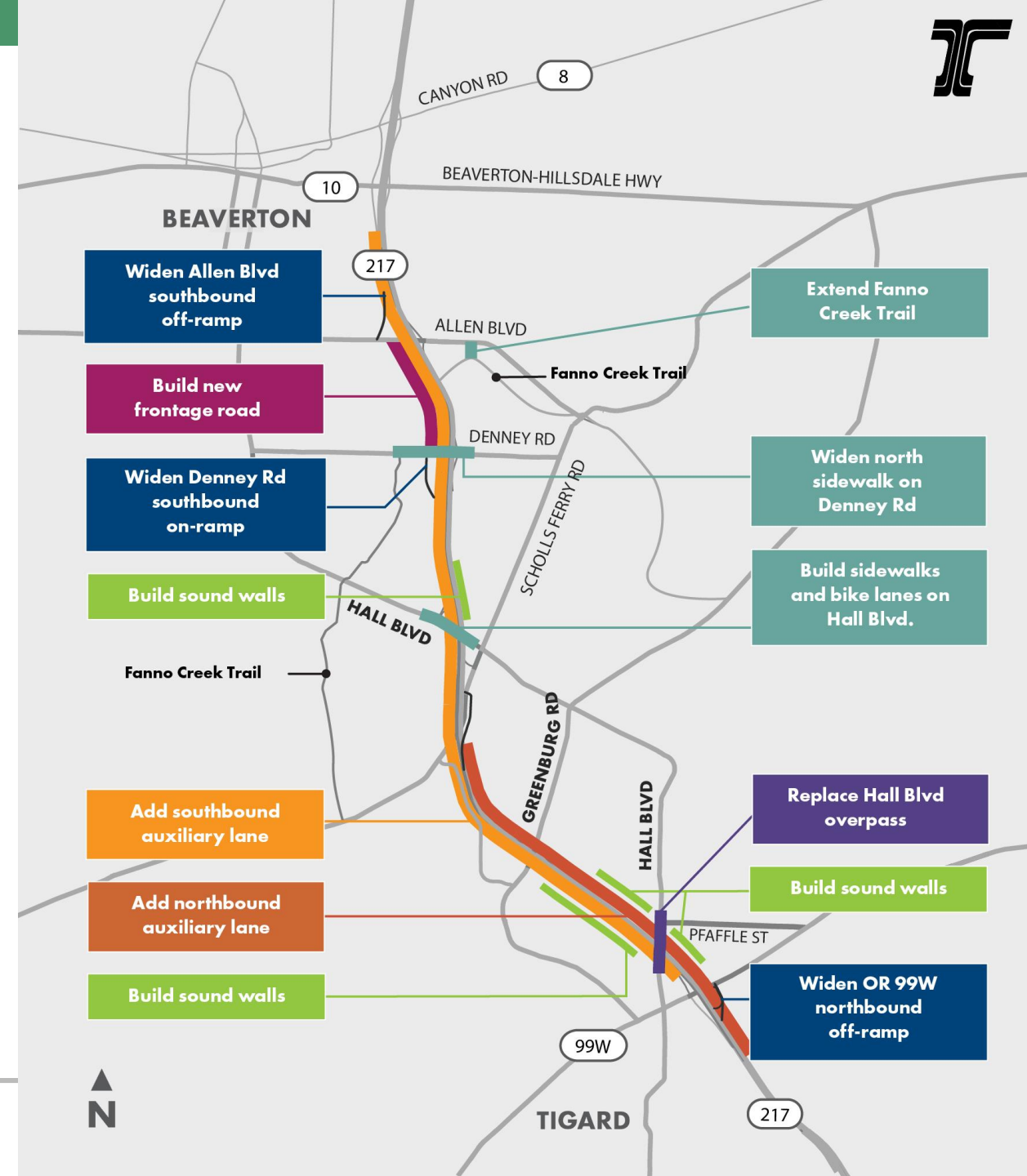


OR-217

Financing OR-217

Current Status: Construction

Source (\$M)	Planning/PE	ROW/Other	Construction
HB 2017	\$10	\$4.6	\$82
Other Federal/State Local	\$12		\$49
Total Sources/Cost	\$22	\$4.6	\$131



I-5 Rose Quarter

Financing I-5 Rose Quarter PE/ROW

Current Status: Preliminary Engineering

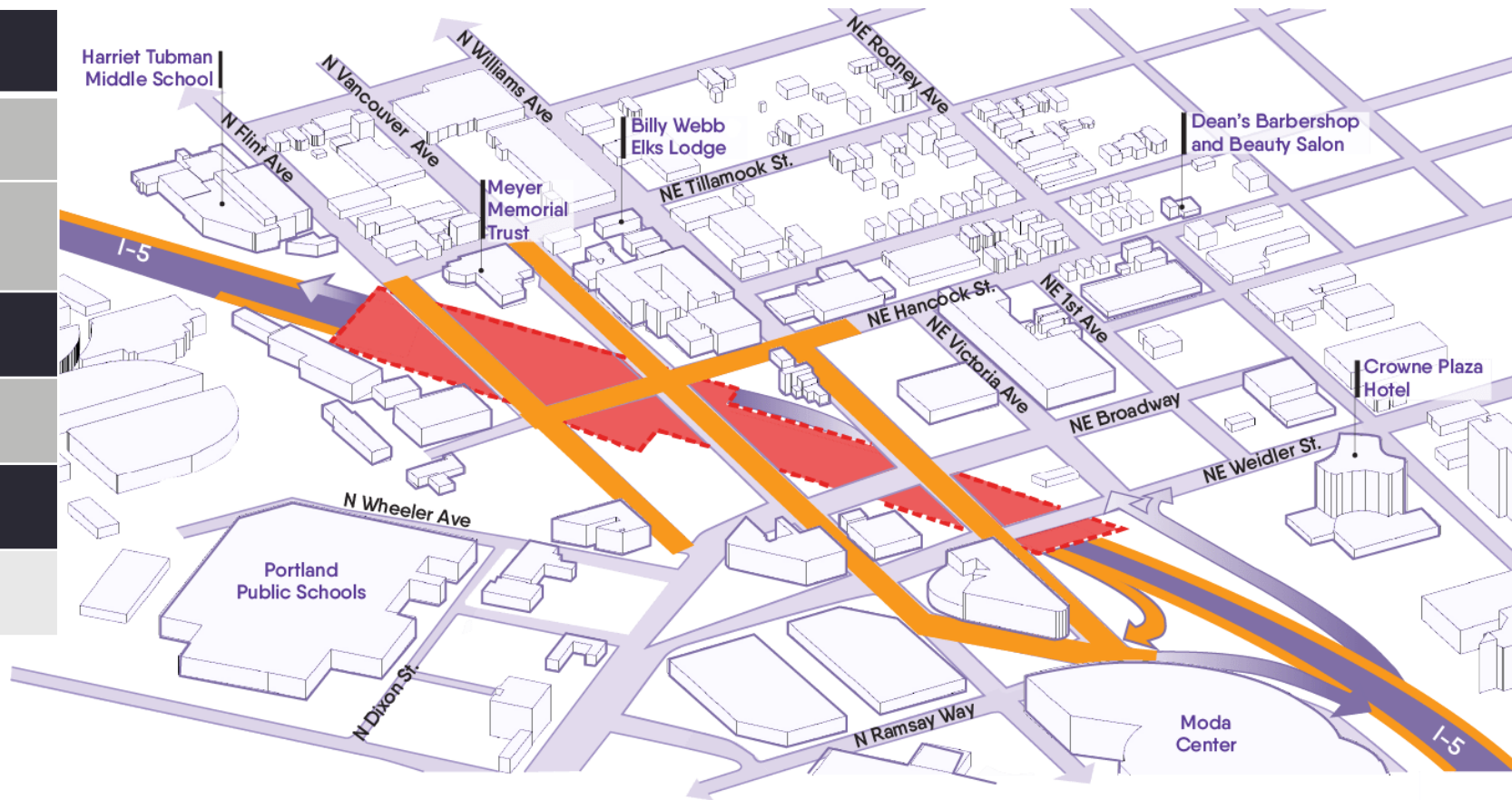
Source (\$M)	Planning/PE	ROW
HB 2017	\$130	\$61
Other Federal/State/Local	\$27	
Total Sources	\$157	\$61
Total Projected Cost	\$1,200 - \$1,600	
Unfunded Amount	\$1,000 - \$1,400	

Potential Funding Sources

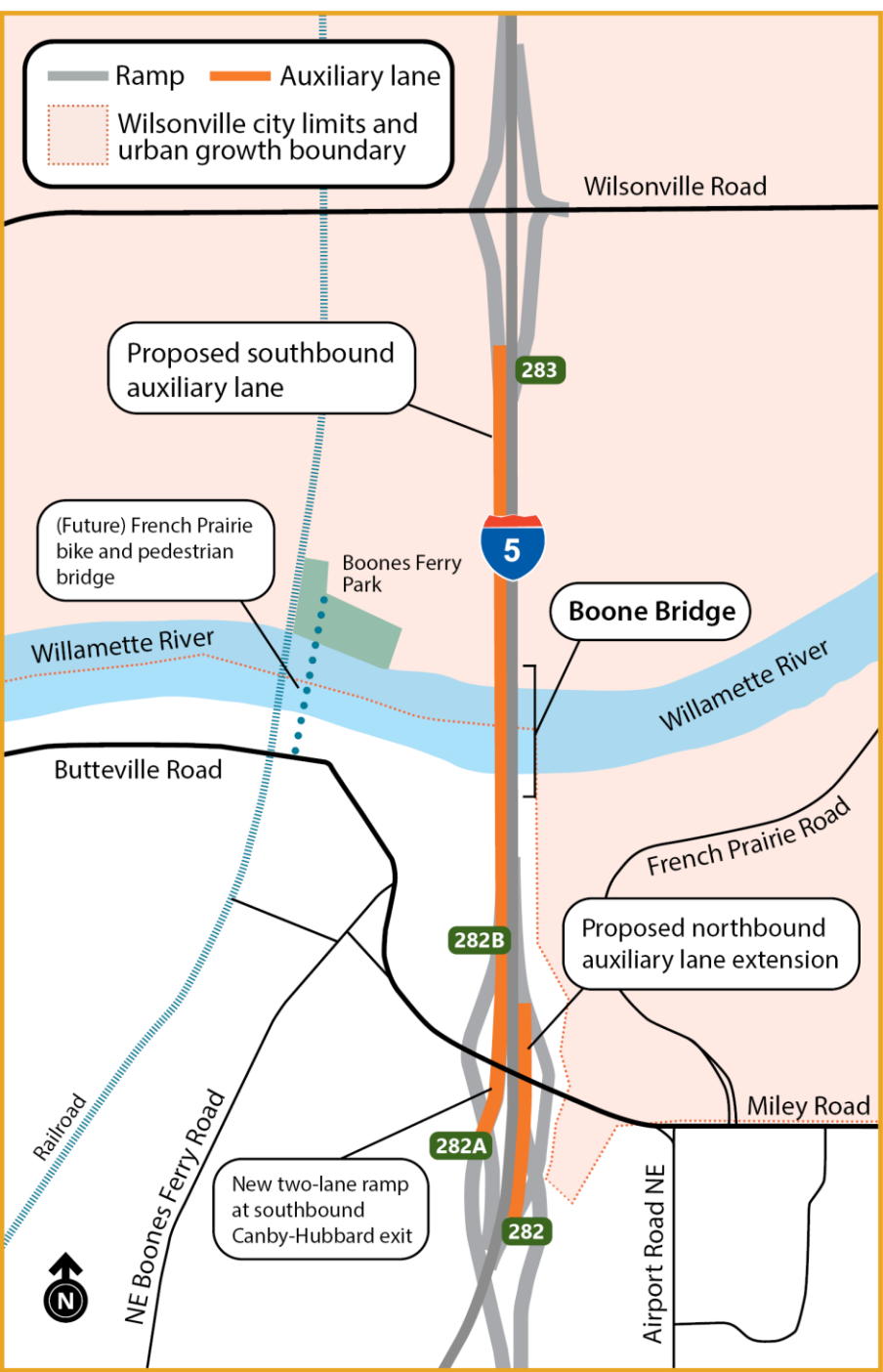
Toll revenues

Federal grants

Other State/Local sources



I-5 Boone Bridge



Financing I-5 Boone Bridge

Current Status: Planning

Funded Through: Planning

Source (\$M)	Planning/PE
Other Federal/State/Local	\$4
Total Sources	\$4
Total Projected Cost	\$500-\$600

Potential Funding Sources

Toll revenues

Federal grants



I-205 Improvements Project

Financing I-205 Phase 1

Current Status: Construction

Source (\$M)	Planning/PE	ROW	Construction/ Other
HB 2017/Tolling*	\$18		\$477
Other Federal/State/Local	\$44.5	\$2.5	\$19
Total Sources/Cost	\$62.5	\$2.5	\$496

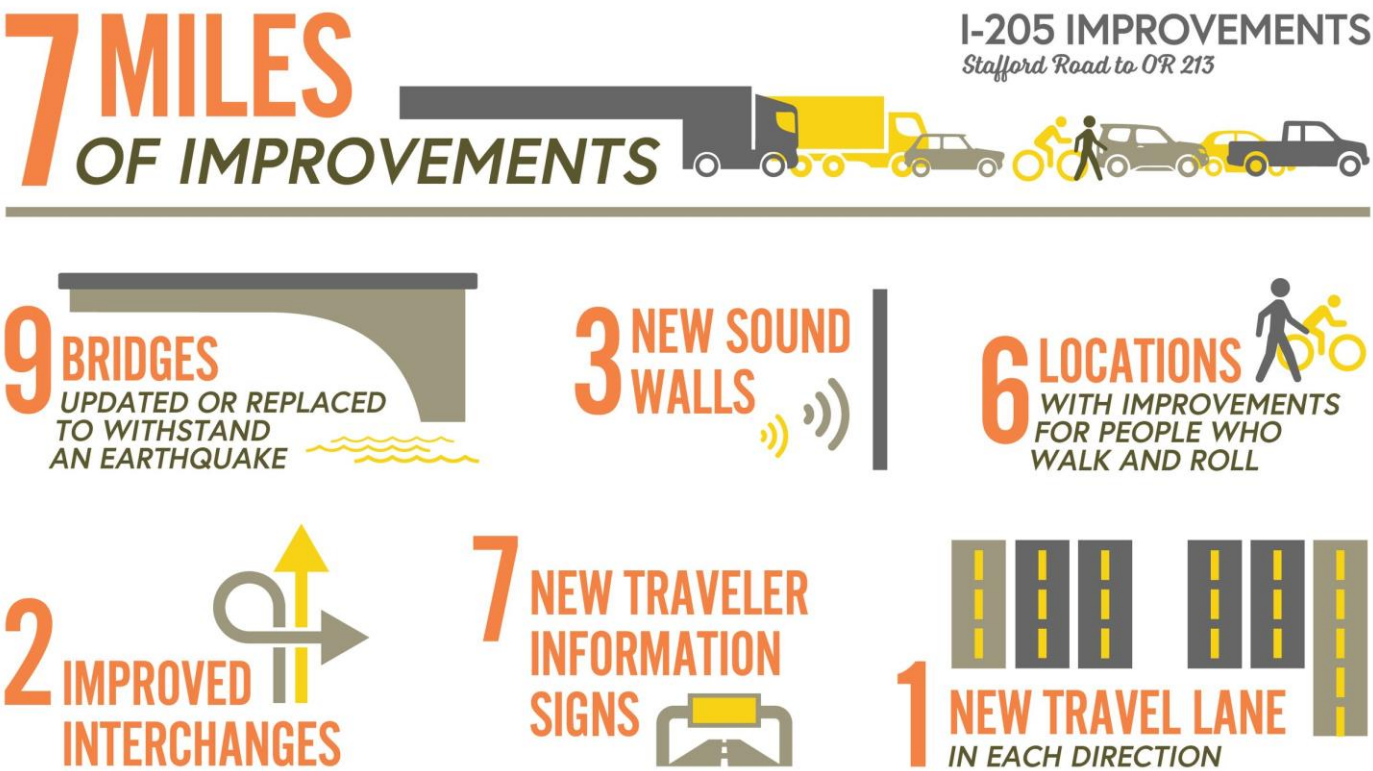


*Tolling pending approval by FHWA; ODOT has reserved HB 2017 funds until tolling is approved.

Financing I-205 Phase 2

Current Status: Preliminary Engineering

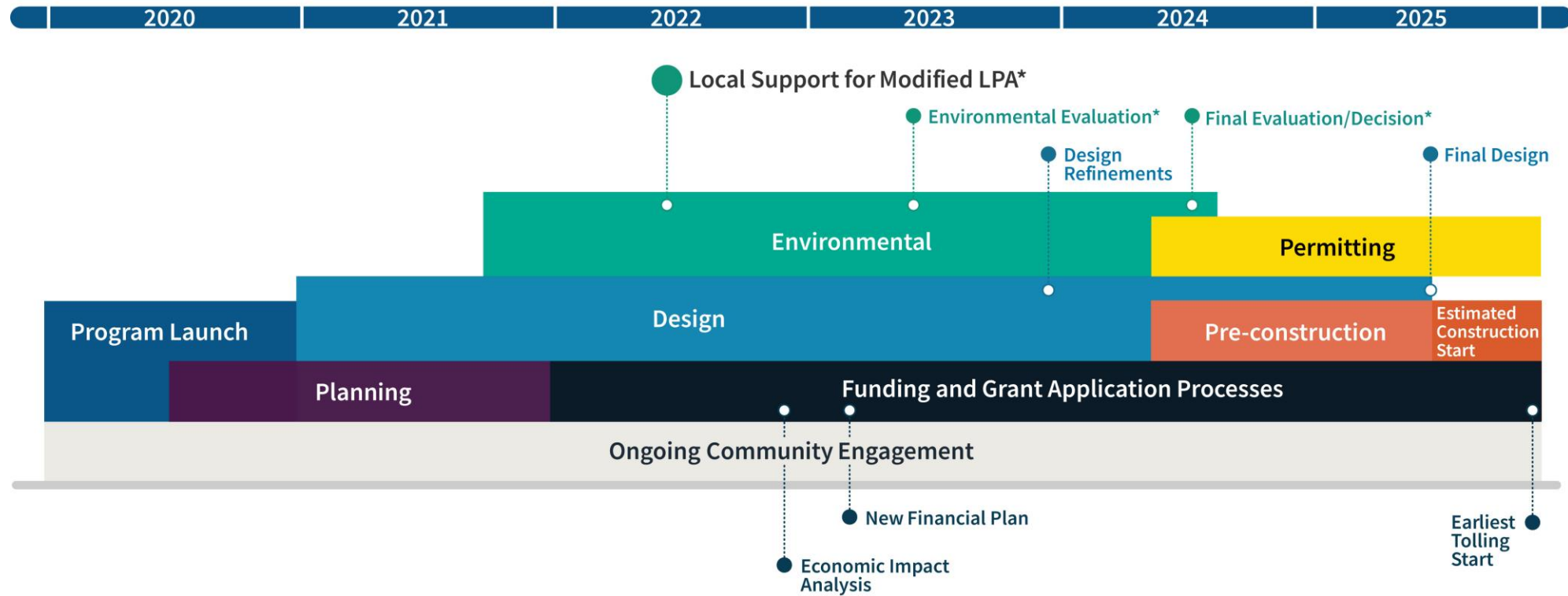
Source (\$M)	Construction/Other
HB 2017/Tolling*	\$300-\$400
Total Projected Cost	\$300-\$400



*Cost estimates are preliminary. Tolling pending approval by FHWA; ODOT has reserved HB 2017 funds until tolling is approved.

Interstate Bridge Replacement Program

Program Schedule



*Partner agencies confirmed their support for foundational components of the Modified LPA (Locally Preferred Alternative) to advance for further study in the environmental evaluation (Supplemental Draft Environmental Impact Statement or SDEIS). During the SDEIS, public comment will be taken for approximately 45 days and design refinements will be made the following months to respond to findings from the environmental review and public input. Full acceptance of a corridor-wide alternative will not be identified until after public comment and design refinement. At the conclusion of the review process, a Record of Decision (ROD) will be made and the program will enter into final design and pre-construction.

Program Cost/Funding Estimate

Program cost estimate: \$5 billion - \$7.5 billion.

Most likely cost: \$6 billion.

Funding Sources	\$M
State Funding*	\$2,200M
Tolling	\$1,250 – \$1,600M
Federal Discretionary Grants	\$860 - \$1,600M
FTA New Starts CIG Funding	\$900 - \$1,100M
Anticipated Total	\$5,210 - \$6,500M

**Includes \$198M in guaranteed contributions, and \$1,000M in anticipated contributions from both states.*

Thank you.