

# Major Project Financing & Deferred Maintenance Impacts

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Joint Committee on Transportation Oversight  
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# Major Project Financing

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# ODOT's Highway User Tax Revenue Bonding Program

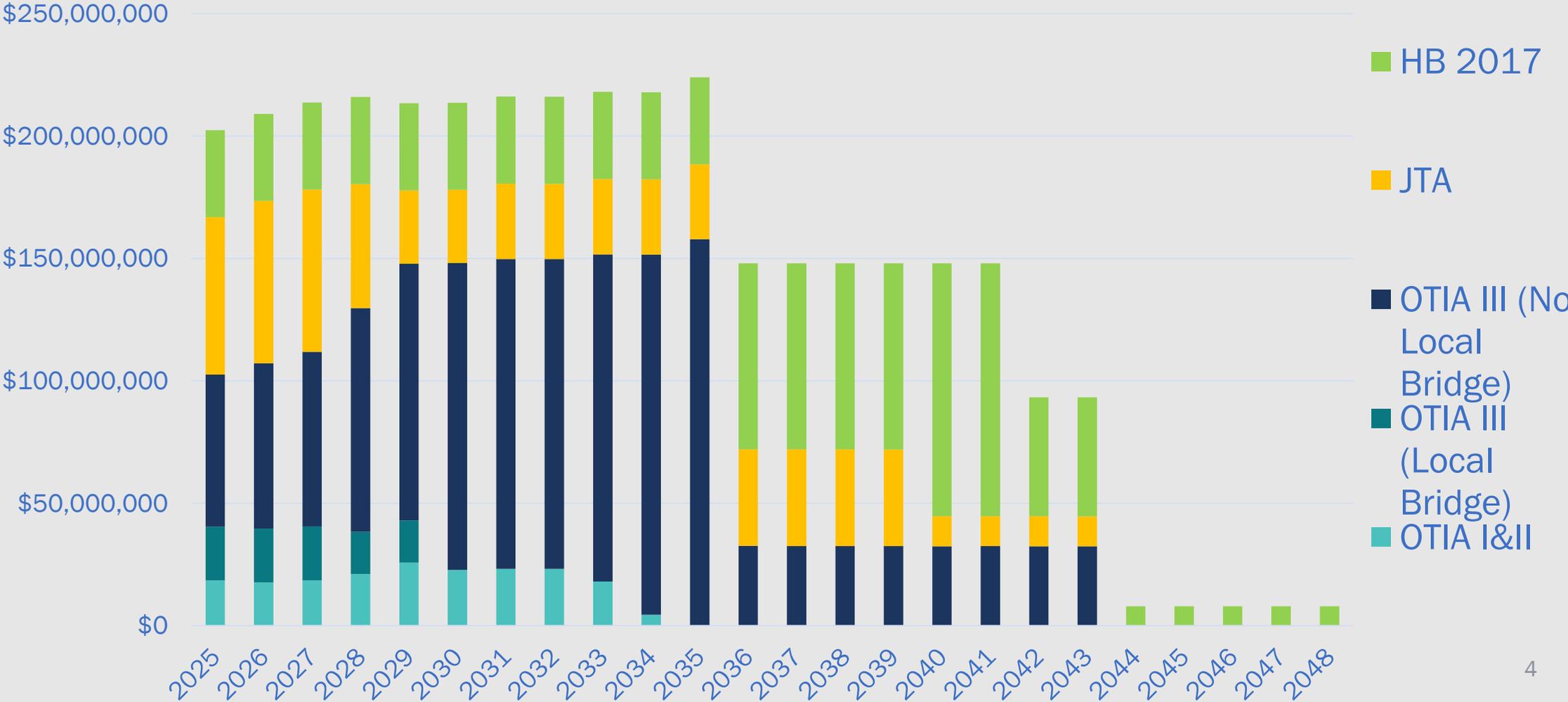
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- ODOT has issued about \$4 billion in Highway User Tax Revenue (HUTR) bonds
- ODOT has strong credit ratings:
  - Moodys: Aa2
  - Fitch: AA+
  - S&P: AAA (senior lien), AA+ (subordinate lien)



# Highway User Tax Revenue Debt Service by Program

Includes bond sales through end of 2025



# Bonds Authorized for 2025-2027 Biennium

Bond Type	Funding Source	Project/Program	Likelihood	Potential Timing	Likely Range
Highway User Tax Revenue	HB 2017 Bridge/Seismic	I-205 Abernethy (1 <sup>st</sup> issuance)	Complete	January 2026	\$246M
General Obligation	General Fund	Interstate Bridge Replacement (2 <sup>nd</sup> )	High	Late in the biennium	\$250M
GARVEE	FHWA formula funds	ADA program (2 <sup>nd</sup> )	Medium/Low	Late in the biennium to sometime in 2027-2029 biennium	Up to \$345M
Highway User Tax Revenue	HB 2017 Urban Mobility Strategy	I-5 Rose Quarter, I-205 Abernethy (2 <sup>nd</sup> )	Low	Late in the biennium to sometime in 2027-2029 biennium	\$200-250M
Highway User Tax Revenue	HB 2017 Bridge/Seismic	I-205 Abernethy, possibly OR 22 Center Street Bridge (2 <sup>nd</sup> )	Low	Likely sometime in 2027-2029 biennium	TBD

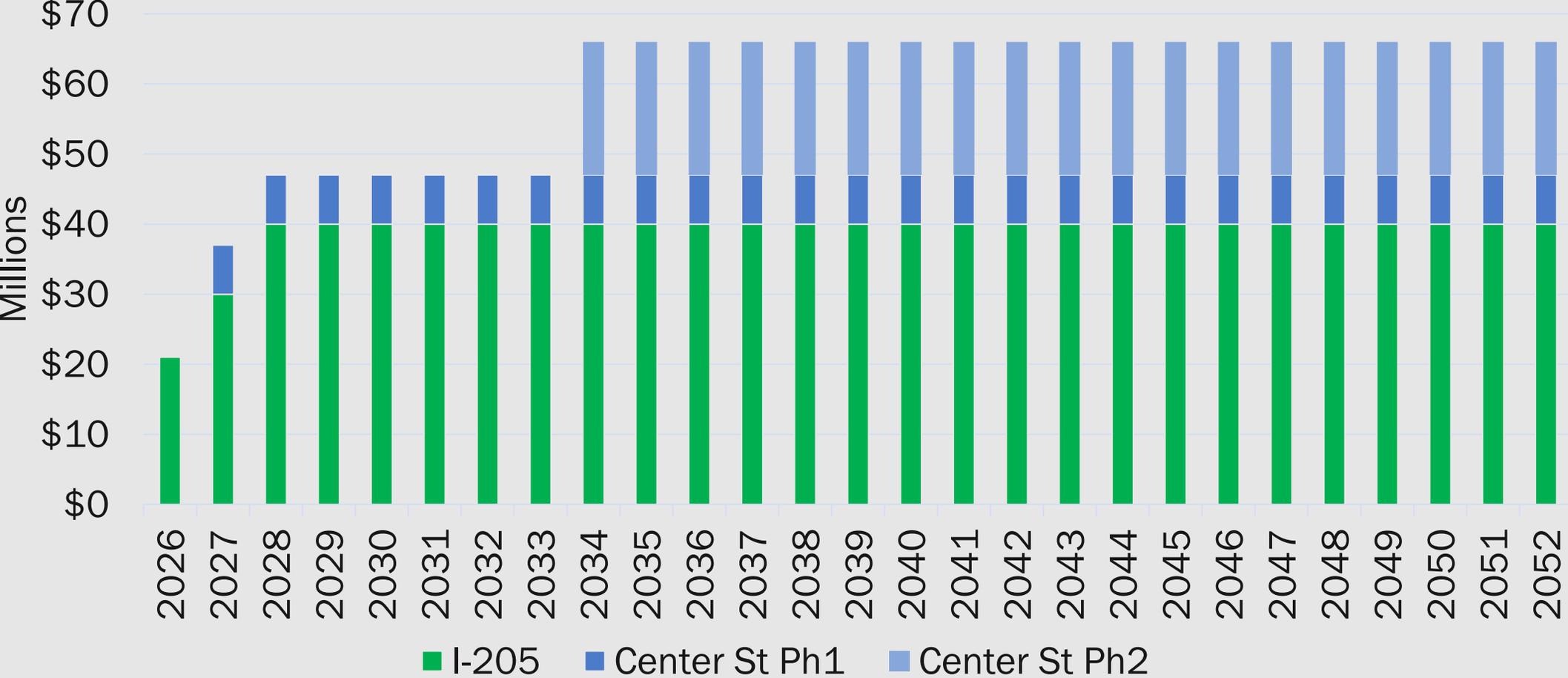
# HB 2017 Bridge/ Seismic Bonds

Project	Project Cost Estimate	Estimated Bonds
I-205 Abernethy	\$815 million	\$495 million*
Center Street	\$315-470 million	\$215-370 million

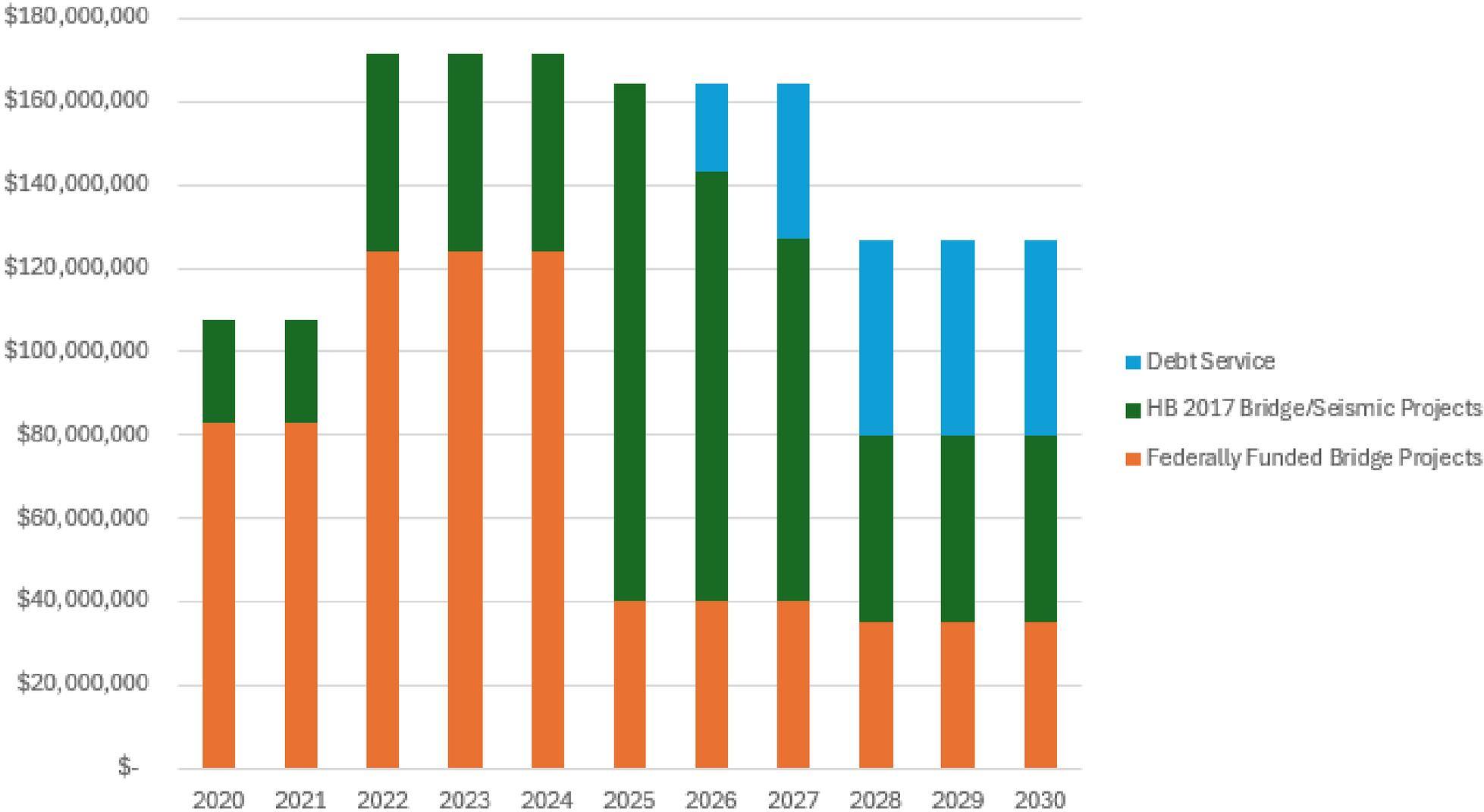
\*Not including HB 2017 UMS bonds



# Potential Annual Bridge/Seismic Debt Service on Highway User Tax Revenue Bonds



# Impact of Debt Repayment on Bridge Program

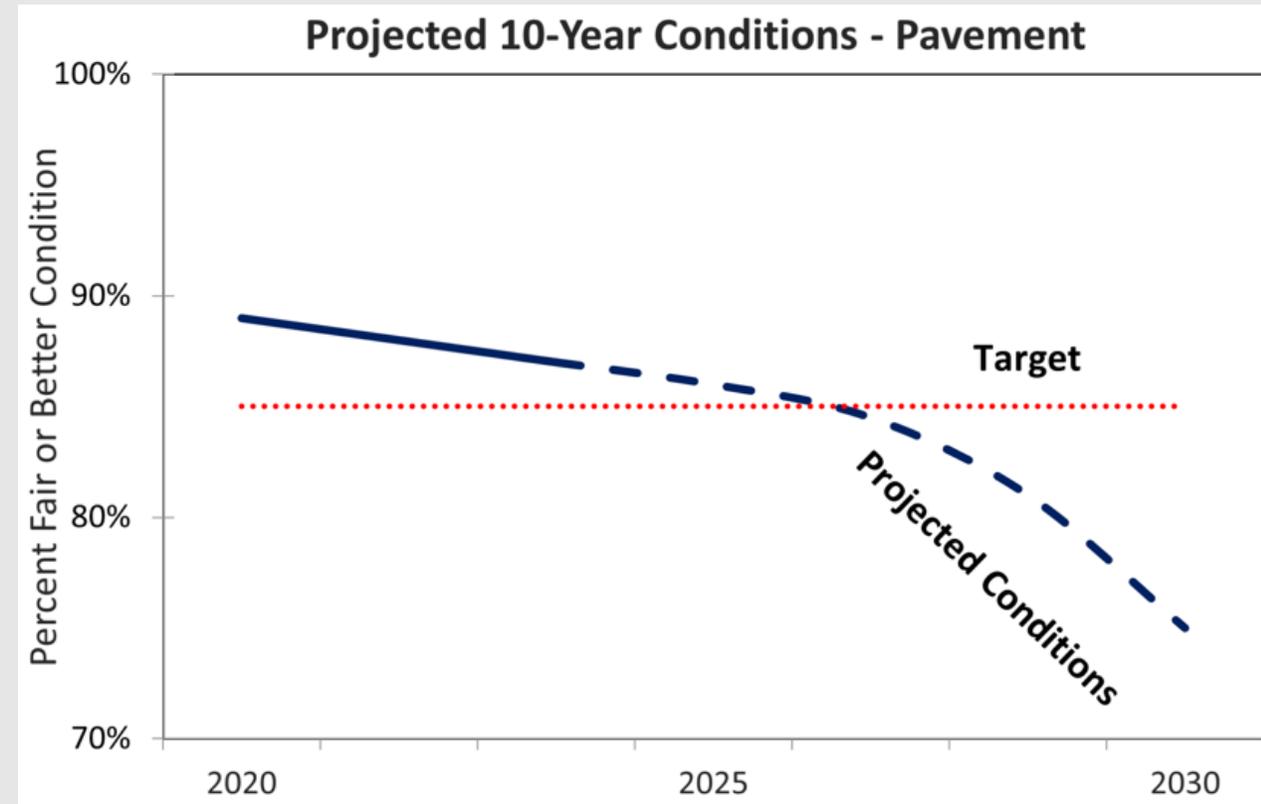


# Impacts of Deferred Maintenance

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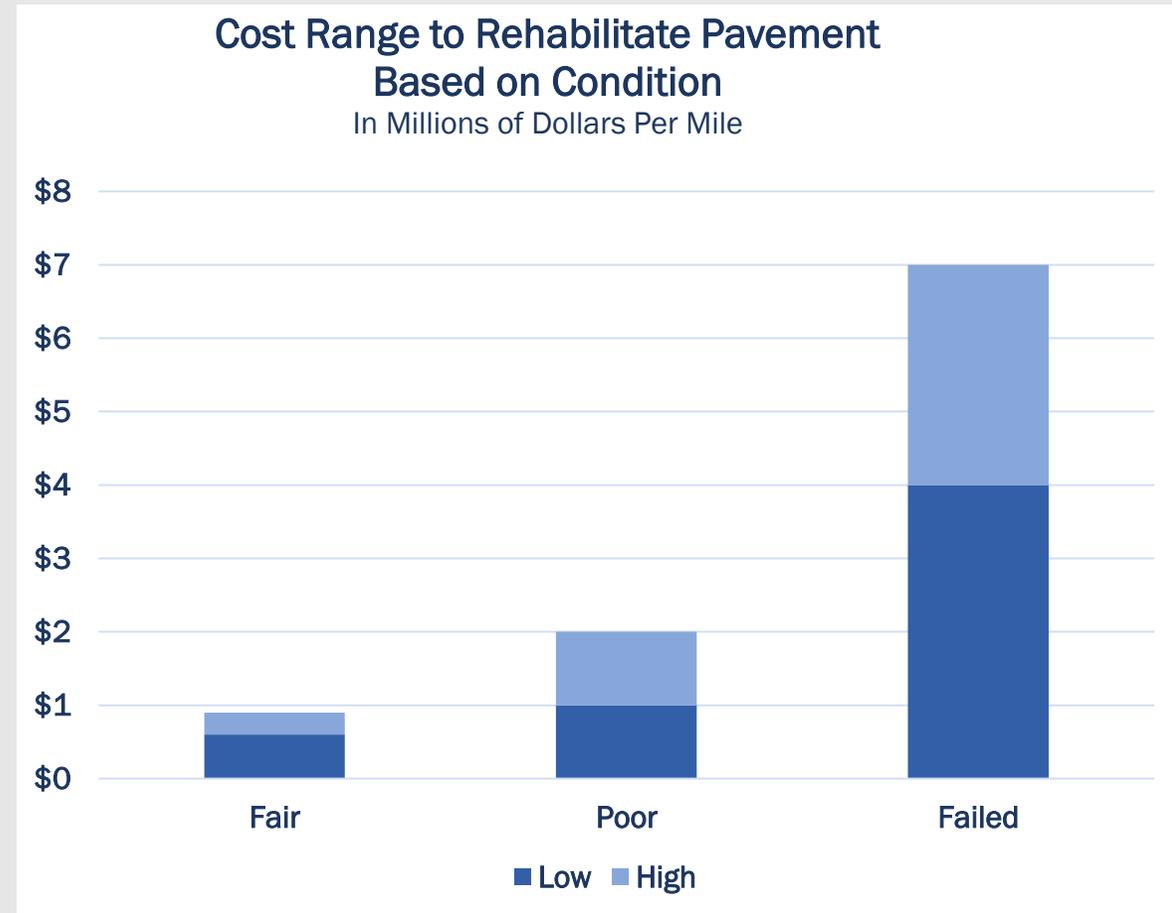
# Pavement Conditions in Decline

- Our legislative KPM is to maintain 85% of our pavement at “fair or better” condition.
- Today we are 87% and dropping.
- By 2030, poor road mileage will be twice what it was 5 years ago.
- We aim to resurface pavement on higher volume roads every 15-25 years on average.
- Starting in 2027 we can only afford to pave interstates.



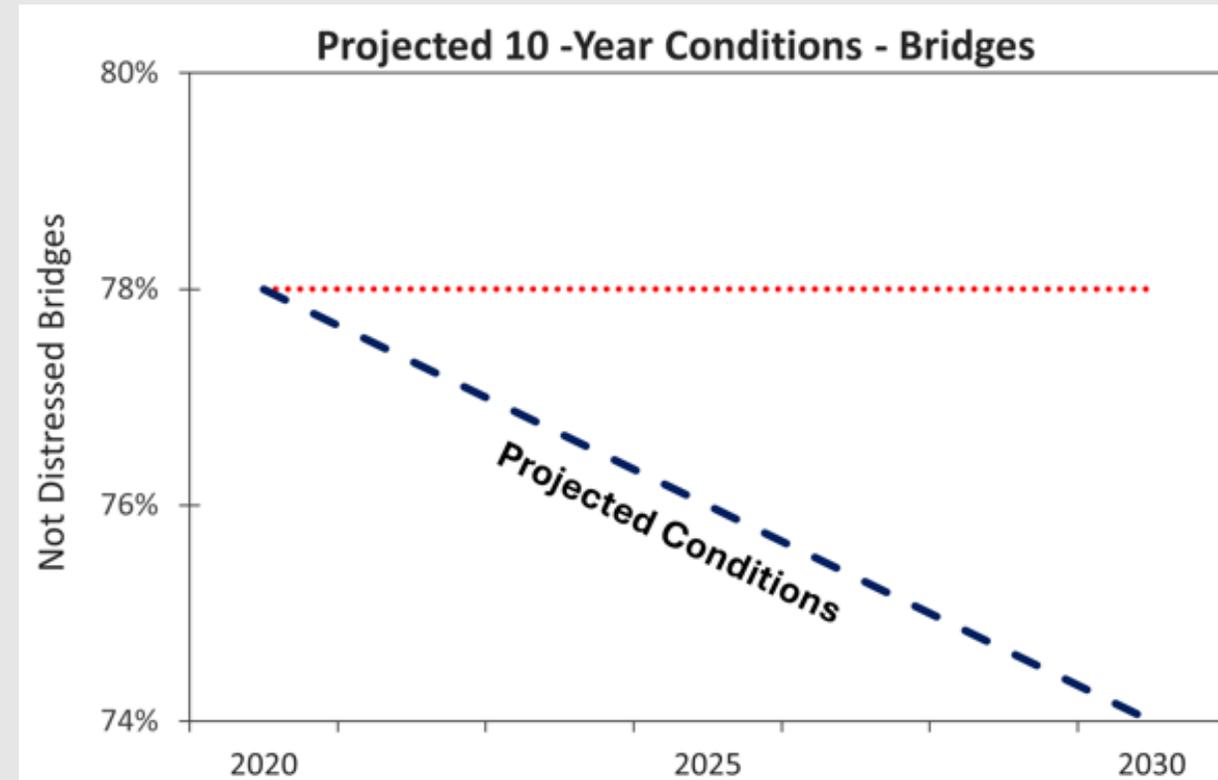
# Pavement → Reduced Safety & Increased Costs

- As conditions worsen, roads are less safe for travelers.
  - Rutting and potholes
  - Faded pavement striping – poor visibility
  - Increased vehicle ownership costs
- Cost per mile to repave typical rural 2-lane highway:
  - Fair Condition: \$600-900K
  - Poor Condition: \$1-2M
  - Failed Condition: \$4-7M



# Bridge → Reduced Safety

- Aging bridges in poor condition can be weight restricted.
- 422 of our 2700+ bridges have at least one weight restriction.
- Weight restrictions hurt local communities and businesses.
  - Heavy trucks and emergency vehicles must take long detours
- Poor conditions mean more closures for repairs



# Needed Bridge Maintenance Actions

<b>Action Priority</b>	<b>Region 1</b> Greater Portland Metro, Mt. Hood area	<b>Region 2</b> Willamette Valley, North & Central Coast	<b>Region 3</b> Southern Oregon, South Coast	<b>Region 4</b> Central Oregon	<b>Region 5</b> Eastern Oregon	<b>Total</b>
Critical	2	2	1	0	0	5
Urgent	64	49	14	7	9	143
High	322	255	49	34	94	754
Medium	486	515	46	130	214	1391
Schedule	1339	2135	1397	352	689	5912
Monitor	96	151	77	36	30	390
Temp Repair	3	0	0	0	0	3
<b>Total</b>	<b>2312</b>	<b>3107</b>	<b>1584</b>	<b>559</b>	<b>1036</b>	<b>8598</b>

# Additional Safety Risks

- Culvert failures & unstable slopes result in extended highway closures
  - Delays and detours for travelers
  - Isolating rural communities
- Aging electronics lead to outages, congestion, and crashes



OR224 in Clackamas County

# National Highway Construction Cost Index Increases Since Q1 2017

- FHWA's National Highway Construction Cost Index shows prices nearly doubling since the beginning of 2017
- Recent trends have shown a slowing of cost increases



A blue bus is driving away on a two-lane asphalt road that curves through a dry, hilly landscape. The hills are covered in sparse, dry vegetation. In the distance, a snow-capped mountain peak is visible against a clear blue sky. The overall scene is captured in a cool, blue-toned light.

# Thank you

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