

Urban Mobility Strategy Finance Plan Update

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June 12, 2024



Presentation Outline

- INFRA Grant Overview
- Follow up to Last Meeting
- Finance Plan Update
- Funding options → Project Specific lists
- Timelines, Decisions, Uncertainties
- What's next



I-5 Rose Quarter Improvement Project: INFRA Grant Request

Grant Request: \$750 million | State Match: \$250 million (from HB 2017 UMS funds)

- **Scope of grant request:**
 - complete the highway cover - construct the remaining two-thirds (north and south portions) of the project's highway cover
 - construct I-5 safety and operational improvements
 - construct separated bicycle/pedestrian bridge
- Rose Quarter is designated “highly recommended” under the INFRA program
- Legislative committee unanimously approved grant submittal
- Expect award announcements in late August / early September



Key Questions for OTC for UMS Finance Plan Update

- Should ODOT repay some of the HB 2017 funding transferred from the Rose Quarter to I-205, or focus on closing the funding gap for the I-205 Abernethy Bridge project?
- Should the funds necessary to close the gap come from making cuts to the 2024-2027 STIP, spread out the cuts over the next 12-25 years by covering the gap through bonding, or some combination of these two options?
- If bonding is chosen, should we issue Highway User Tax Bonds (state funds) or GARVEE bonds (federal funds)?
- What types of projects should be cut to provide the necessary funds?



UMS Finance Plan Shortfalls

Project	UMS Finance Plan June 2023	Option 1: Repay Rose Quarter	Option 2: Close Abernethy Gap
I-205 Abernethy	\$662	\$750	\$750
I-205 Phase 2	\$0	\$0	\$0
I-205 Tolling	\$84	\$20	\$20
I-5 Rose Quarter	\$158	\$858	\$608
I-5 Boone	\$4	\$4	\$4
Regional Mobility Pricing Project	\$64	\$40	\$40
Toll Systems Implementation	\$115	\$13	\$13
Short Term Financing Costs	*	\$36	\$36
Total Funds Needed	\$1,087	\$1,721	\$1,471
Total Resources	\$1,102	\$1,167	\$1,167
Available Resources	\$15	\$(554)	\$(304)

*Not included in original iteration.

Bookend Scenarios for Closing UMS Funding Gap

Scenario 1: Defer STIP Projects

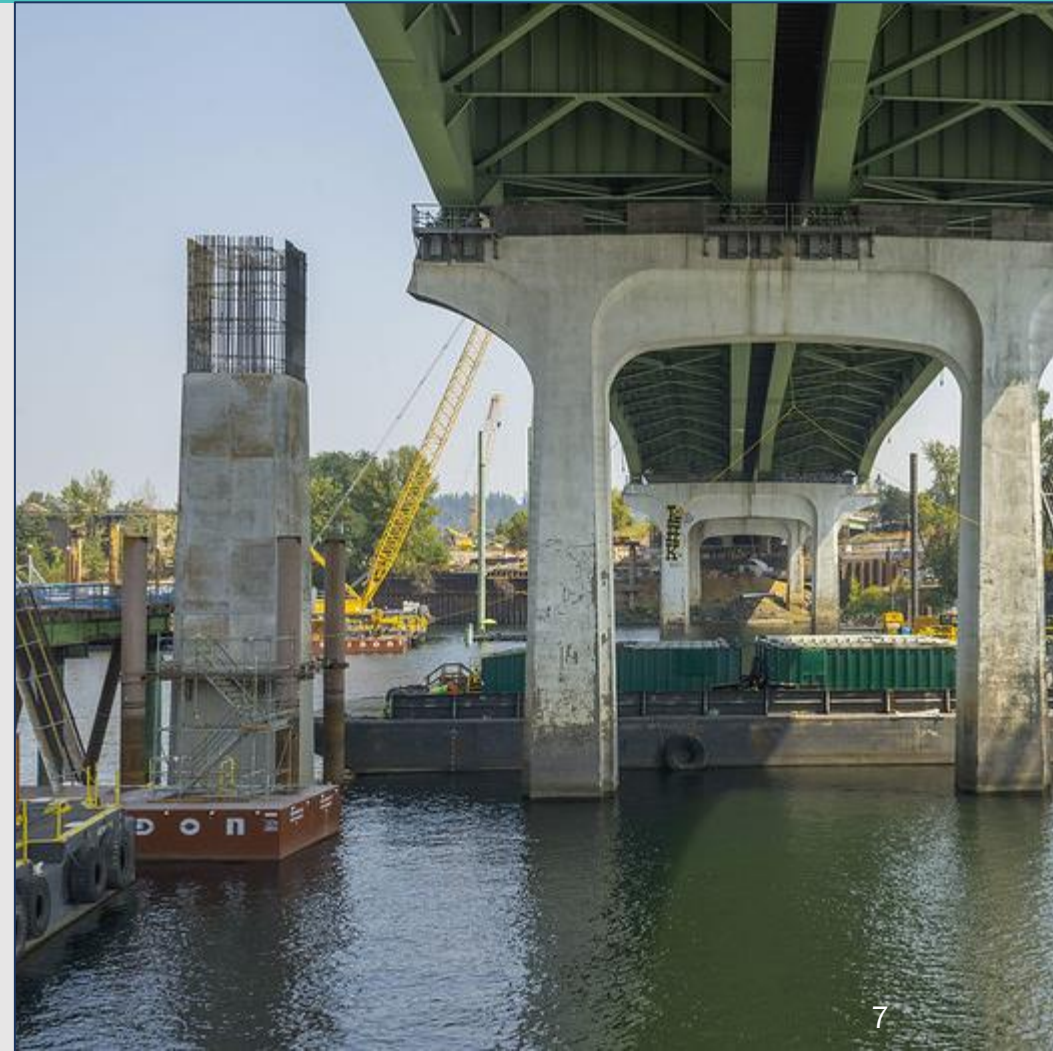
- Defer \$300-550 million in projects from 2024-2027 STIP

Scenario 2: Finance the Gap

- Use long-term borrowing to spread \$300-550 million in costs over a longer time period

ODOT's Hybrid Proposal (Scenario 3)

- Use \$250m from \$30m HB 2017 UMO set-aside for the I-5 Rose Quarter INFRA grant match, with remainder available for I-205 Abernethy Bridge
- Redirect \$100m in 2024-2027 STIP funding to Abernethy Bridge by deferring painting of I-405 Fremont Bridge indefinitely
- Issue Highway User Tax Revenue bonds for remainder, using HB 2017 bridge/ seismic funds for debt service over 25 years
- Bridge/Seismic HUTR bonds range from \$200-500m, with debt service of \$15-40m/year
- Requires additional project reductions in 2024-2027 STIP to cover debt service, up to \$100m total (depending on amount of bonds, timing of sale, and financing terms)



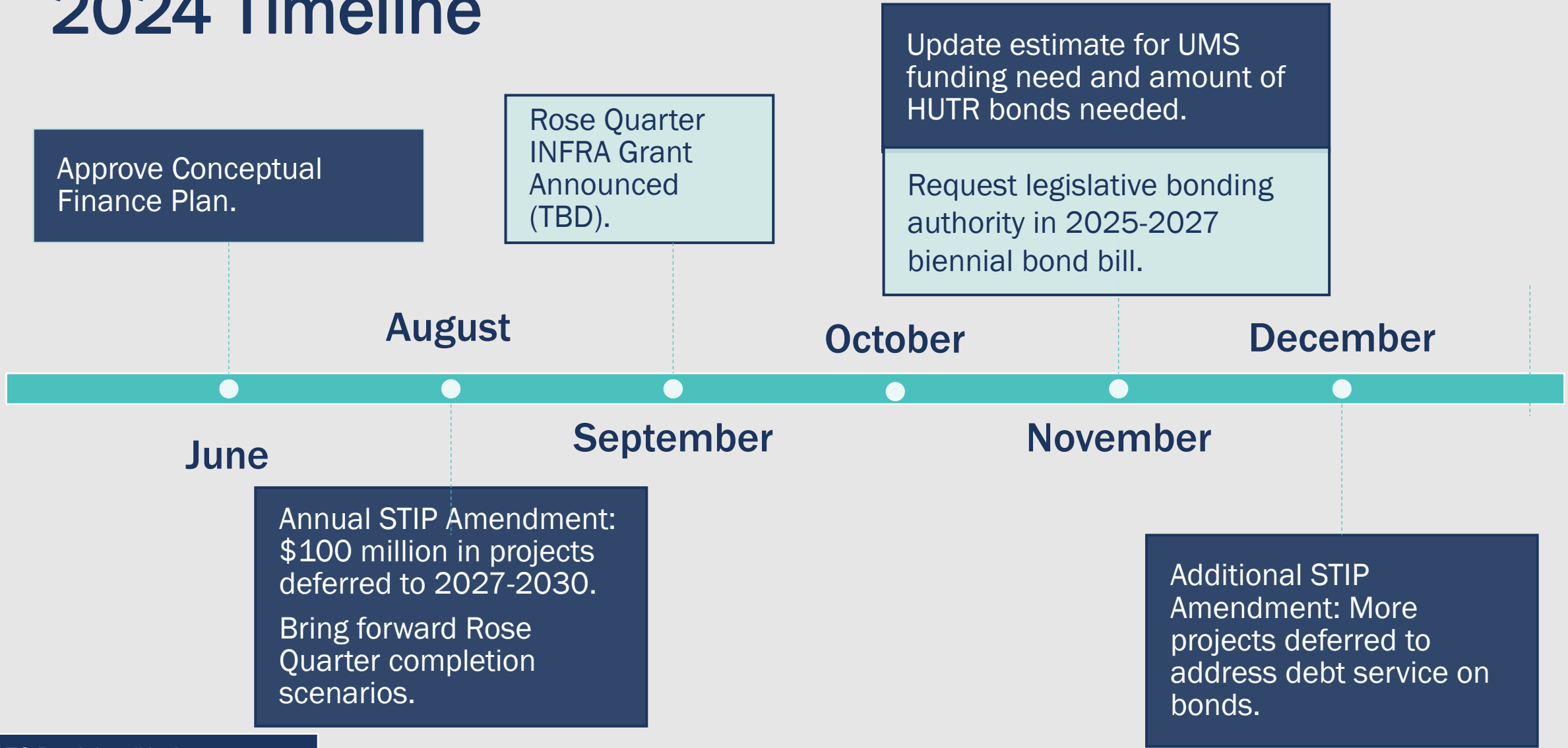
Funding recommendation: Defer one project

Project Name	Total Value	Description	Location
I-405 Fremont bridge (Willamette River) West Ramps	\$103,862,000	Paint bridge approach ramps.	Portland, OR

Funding recommendation for future debt service – potential projects

Project Name	Total Value	Description	Location	Priority for Delay
OR120: Columbia Slough Bridge (Portland)	\$ 59,000,000	Bridge replacement + jurisdictional transfer.	Portland	1
OR99E: Clackamas River (McLoughlin) Bridge	\$ 12,777,000	Paint bridge.	Gladstone	2
US101 over Port of Tillamook Bay Railroad bridge (Juno)	\$ 3,405,122	Bridge deck repairs. If deferred will be replaced.	Tillamook County	3
US101: Gold Beach (Rogue River) Bridge	\$ 24,284,000	Cathodic protection. If deferred will deliver project in 1 phase instead of 2.	Gold Beach	4
Timber Bridge Program Funding Reserve	\$ 50,000,000	Reduce program by \$50M. \$20M remains for replacement of four bridges in Central Oregon.	Various	5

2024 Timeline



OTC Decision/Update

ODOT Milestone/Task

Next steps on this conceptual finance plan

With Commission support, ODOT will take the following steps:

- August - Amend the STIP to transfer funding from I-405 Fremont Bridge painting to the I-205 Abernethy Bridge, as part of the 2024 annual STIP amendment.
- August - Bring forward scenarios for completing the funding needed for Rose Quarter, depending on outcome of INFRA grant.
- November - Following notification of whether the Rose Quarter project receives an INFRA grant and more refined cost estimates for I-205 are available, ODOT will complete a refined funding estimate for the UMS projects.
- November - With the updated gap estimate, ODOT will develop an updated estimate of the amount of HUTR bonds needed and the approximate timing of the sale, then use this information to develop a schedule of estimated debt service.
- November - ODOT will include the necessary HUTR bonds in its request to the Legislature for bonding authority in the 2025-2027 biennial bond bill.
- December - ODOT will return to the Commission with a list of the additional projects that will be deferred from the 2024-2027 STIP to provide the necessary funds to cover debt service through 2027.

Completing the Urban Mobility Strategy

Project	Cost	Funding Allocated	Spent To Date	Funding Gap
I-5 Rose Quarter	\$1,900	\$608	\$129	\$(1,292)
I-205 Abernethy	\$750	\$446	\$297	\$(304)
I-205 Phase 2	\$800	\$0	\$0	\$(800)
I-5 Boone Bridge	\$725	\$4	\$1	\$(721)
Total	\$4,175	\$1,058	\$427	\$(3,117)
Annual Debt Service (25 years)				\$210-240
Fuels Tax Equivalent (For Illustrative Purposes Only)				9-11 cents/gallon

Completing the I-5 Rose Quarter

- Funding gap ranges from \$0 to \$1.3 billion, depending on INFRA grant outcome and project cost
- Options for closing the gap include:
 - Additional funding from the 2025 Legislature (likely bonded)
 - Additional funding from the STIP (likely bonded)
 - Phasing and scope adjustments
- ODOT will return with a strategy for the project, including options for closing the remaining gap, with different scenarios based on outcome of INFRA grant

