



**3:00 PM**      **Phased master plan for CRC project ..... Nancy Boyd**  
**Washington Director, Columbia River Crossing**

**3:15 PM**      **Wrap-up**

- Summary of what was accomplished (handout)
- Comments from Subcommittee members

**3:45 PM**      **Adjourn**

# Columbia River Crossing

A long-term, comprehensive solution

**Paula Hammond**

Secretary of Transportation

# Topics to be covered

- **Post-election update**
- **Bridge permit update**
- **Governance: Bi-state toll rate setting**
- **Financing: Procedural requirements**
- **Master timeline as required by ESHB 2190 (2012)**
- **Wrap-up**

# Post Election Update

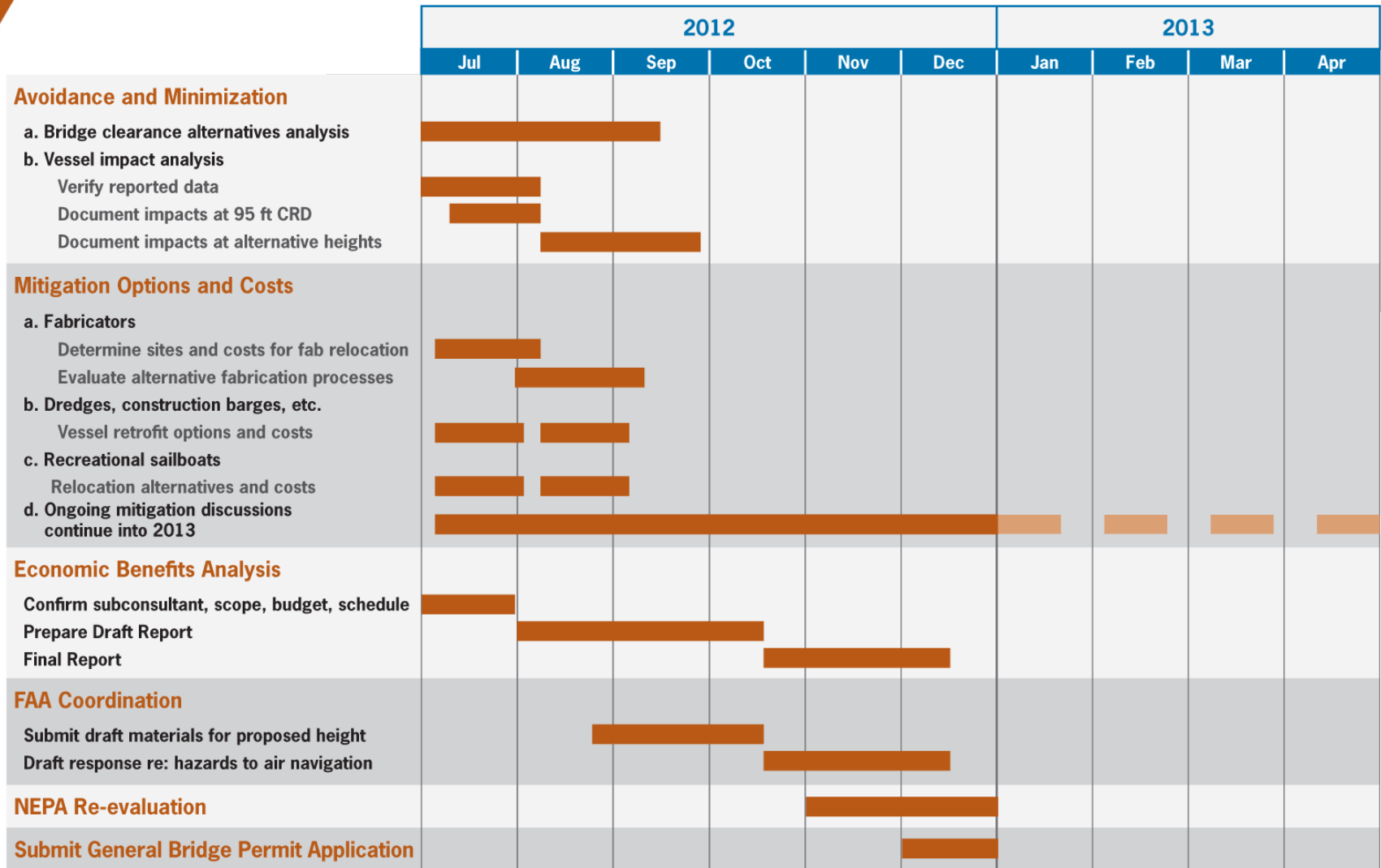




# Bridge Permit Update

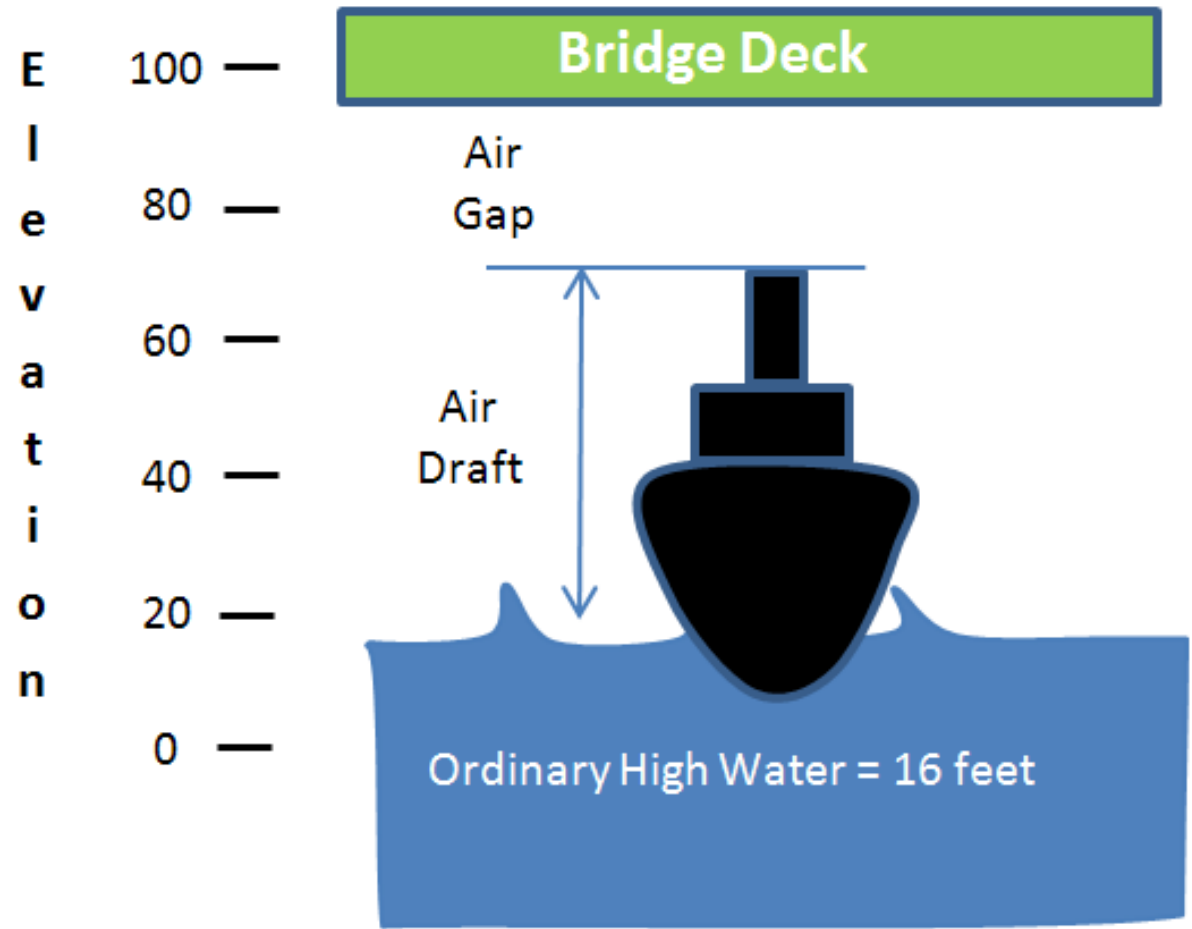


# Bridge permit schedule



Updated 10/03/12

# Safety air gap and Columbia River datum





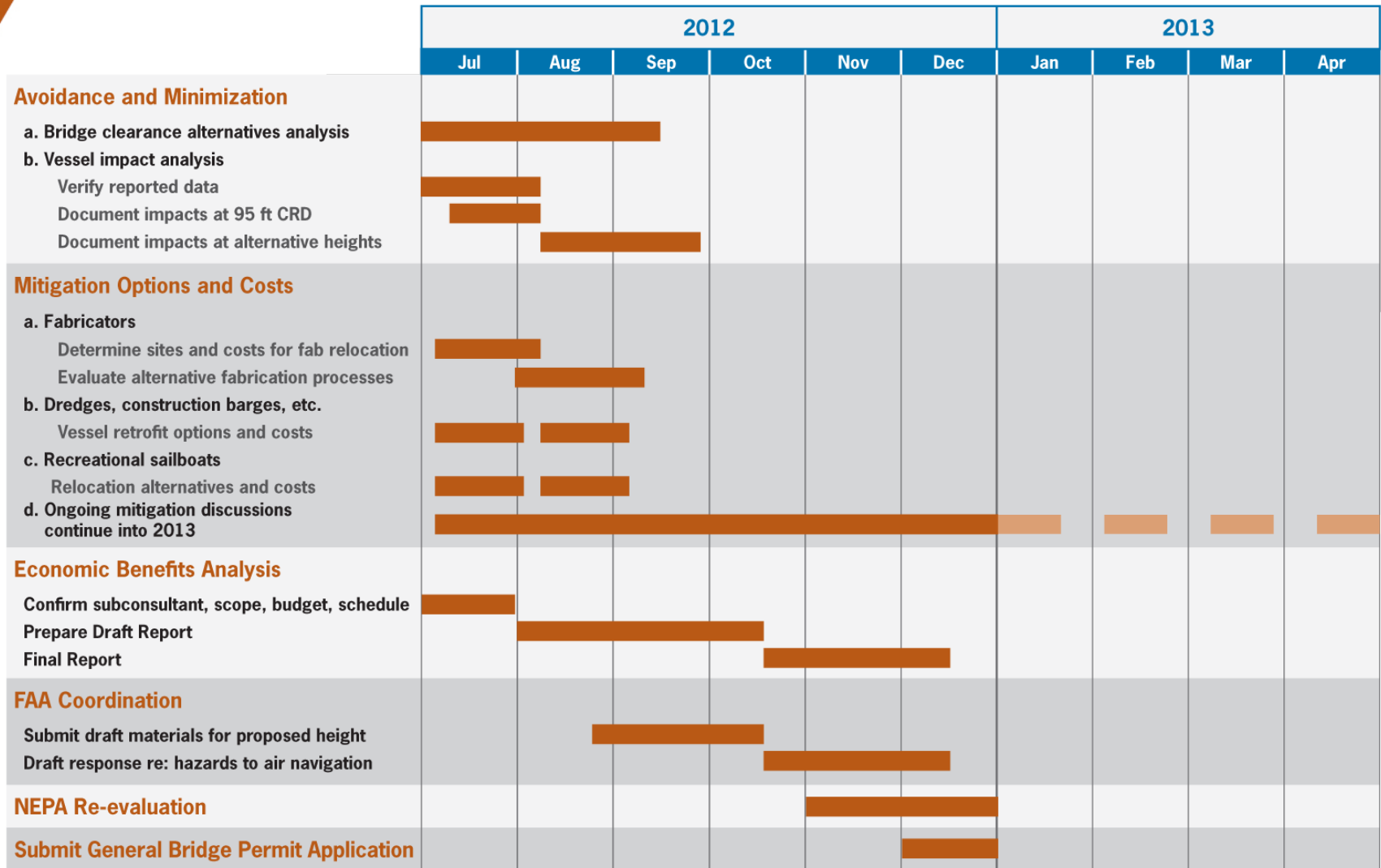
# Impacts and findings

Vertical Clearance	# of Vessels Potentially Impacted	Preliminary Findings
100 feet	43	<ul style="list-style-type: none"> <li>• grade increase</li> </ul>
105 feet	27	<ul style="list-style-type: none"> <li>• grade increase</li> </ul>
110 feet	20	<ul style="list-style-type: none"> <li>• grade increase</li> <li>• foundation size grows</li> </ul>
115 feet	13	<ul style="list-style-type: none"> <li>• grade increase</li> <li>• 6<sup>th</sup> Street compromised</li> <li>• foundation size grows</li> <li>• FAA?</li> </ul>
120 feet	9	<ul style="list-style-type: none"> <li>• grade increase</li> <li>• 6<sup>th</sup> Street closed</li> <li>• local impacts to circulation in Vancouver</li> <li>• foundation size grows</li> <li>• FAA?</li> </ul>
125 feet	8	<ul style="list-style-type: none"> <li>• grade increase</li> <li>• 6<sup>th</sup> Street closed</li> <li>• local impacts to circulation in Vancouver</li> <li>• FAA?</li> </ul>

# Bridge height public outreach



# Bridge permit schedule

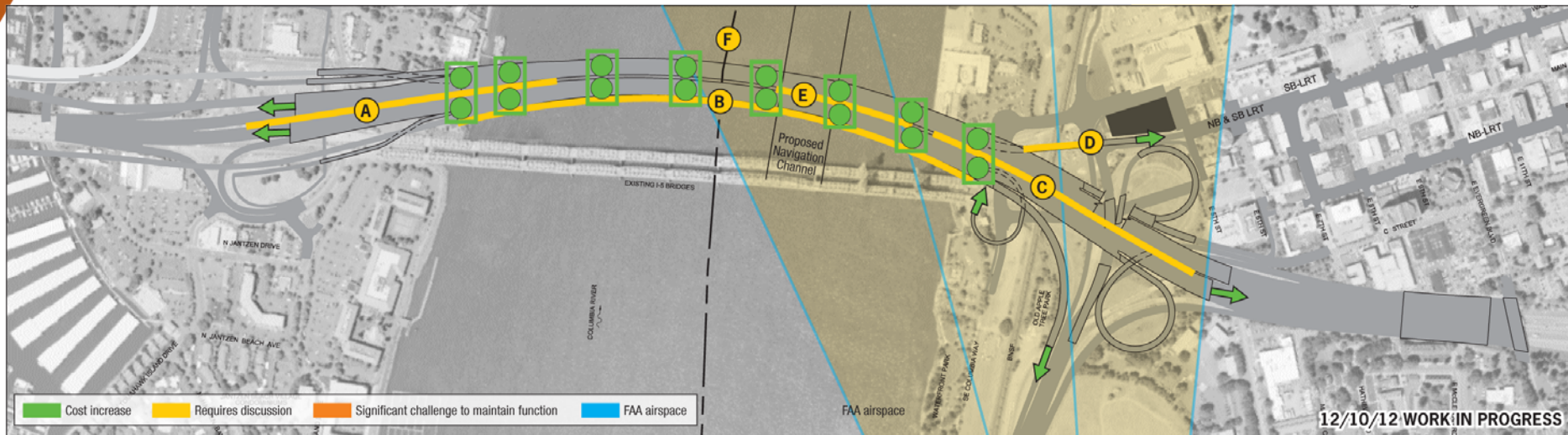


Updated 10/03/12



# Refined vertical clearance analysis

- Avoid, minimize impacts to river users
- Manage landside effects
- Manage cost increase



\* Potential impacts at 16 ft river stage and 10 ft air gap. Some of the vessels would pass at a lower river stage and/or with a smaller air gap. For this illustration each fabricator was represented by 1 vessel.

		Hayden Island	Main Crossing	Vancouver	TOTAL COST
Cost increase estimate over 95 feet**	60%	~ \$9 million	~ \$10 million	~ \$10 million	+/- \$30 million
<p>**Based on 2011 CEVP, does not include mitigation costs.</p> <p><b>Highway/Transit/Landside</b> 115-116 foot vertical clearance with previously described impacts for 110 foot clearance.</p>		<p><b>A</b> In Oregon the mainline grade increases to 3.8% from 2.8%. This would need a design exception for a grade above 3%.</p>	<p><b>B</b> More traffic analysis needed to address changes to traffic operations due to increased grades.</p> <p><b>E</b> Top of roadway deck at centerline is 21' below FAA surface.</p> <p><b>F</b> Foundation sizes may increase, however, they are still consistent with FEIS.</p>	<p><b>C</b> In Washington the mainline grade increases to 4.0% from 3.4%.</p> <p><b>D</b> Transit grade on Washington approach is 6% for an additional 130 feet.</p>	

# Bridge permit next steps

- **NEPA re-evaluation in December 2012**
  - Include bridge height recommendation
- **Ongoing analysis and mitigation discussions with fabricators/property owners**
- **Submit a permit application in January 2013**
- **Goal: Achieve a general bridge permit issued by the Coast Guard in mid to late 2013, before bridge construction in 2014 (pending funding)**

# Washington State Transportation Commission Oregon State Transportation Commission

## *CRC Bi-State Toll Setting*

Presentation to the Washington State  
CRC Legislative Oversight Committee

December 10, 2012



# State Tolling Responsibilities

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- Both state's Departments of Transportation are responsible for the planning, analysis and construction of all toll bridges and operating toll facilities.
- The Washington and Oregon Transportation Commissions have toll-setting authority in their respective states.

# Oregon Tolling Responsibilities

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- The Oregon Legislature has granted authority to the Transportation Commission to set tolling policies.
- The Oregon Transportation Commission has general supervision and control over all matters pertaining to the selection, establishment, location, construction, improvement, maintenance, operation and administration of state highways.
- The Oregon Commission also has the authority to designate toll facilities after evaluating a proposal based on set criteria.

# Washington Tolling Responsibilities

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- State policies regarding tolling are provided in Washington State law.
- Only the Legislature may authorize the imposition of tolls on eligible toll facilities in Washington.
- The State Transportation Commission sets toll rates and considers statutory toll policies in determining toll rates.
- The Commission also establishes toll polices, such as exemptions, and ensures that toll rates will generate revenues sufficient to meet operating costs of a toll facility and meet debt payment requirements.

# 2012 Washington State Legislation

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- Designated the Columbia River Crossing project as an “Eligible Toll Facility”
- Creates the Columbia River Crossing account
- Authorizes the Washington State Transportation Commission to enter into agreements with the Oregon State Transportation Commission regarding the joint setting, adjustment and review of toll rates.
- Any agreement between the two Commissions is not enforceable until 30 days after the next regular legislative session.
- If the Washington Commission has not entered into an agreement by December 31, 2015, this authority expires.







# Developing the Commission Bi-State Agreement

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- **September – Joint Commission Meeting in Pendleton, Oregon**
  - Discussed conceptual agreement on toll-setting structure and process
- **October/November – Focused Discussion**
  - Commission toll subcommittees worked with bi-state finance/legal staff to draft agreement language
- **December – Adopting Agreement**
  - 12/10 Washington Legislative Oversight Committee
  - 12/12 WSTC vote
  - 12/19 OTC vote



# Bi-State Agreement – Overview

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- Joint toll setting structure, where each commission maintains their existing rate setting authority.
- A subcommittee of the two Commissions is established to determine toll setting details and will advise each Commission on rate setting.
- Rate setting will require a majority vote of each Commission to be enacted.
- Separate debt will be issued in each state for their share of the toll backed portion of the project. Bond provisions will be coordinated between the two Treasurers.
- Both DOTs will enter into operational agreements.

# Next Steps

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- **Submit approved Bi-State Agreement to WA Legislature before 2013 Session.**
- **DOTs conduct the traffic and revenue study/investment grade analysis – results due by end of 2013.**
- **Work with the DOTs to develop public education and outreach plan – 2013.**
- **Assess need for possible amendments to the Bi-State Agreement as the project advances and finance plans are developed – possible amendments:**
  - Changing bond market conditions may require additional and/or clarifying provisions – such as providing for a dispute/resolution process if rate decisions cannot be agreed to.
  - Adjust rate setting process/ procedures
  - Potential exemptions

# Contacts

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- Reema Griffith

Washington State Transportation Commission

360-705-7070

- Patrick Cooney

Oregon Transportation Commission

503-986-3455

# The Debt Approval and Issuance Process in the State of Oregon

Laura Lockwood-McCall  
Director, Debt Management Division  
Oregon State Treasury

December 10, 2012

# Institutional Framework for Authorization of Oregon's Debt

- Bonding for capital projects may be proposed by state agencies, the Governor, or members of the Legislature
- The State Debt Policy Advisory Commission, chaired by the Oregon State Treasurer, recommends overall biennial maximum debt capacity levels for both General Fund and Lottery supported debt
- Final bonding amounts and revenue packages are determined through the legislative process
- Oregon's Constitution limits general obligation bonded indebtedness, except for specific voter-approved amendments for certain GO bonding programs
  - Self-supporting GO bond programs vs. General Fund-supported GO bond programs
  - Significant use of stand-alone revenue bonds for high priority capital needs

# Oregon's Debt Approval Process

- Both GO and revenue bond programs are authorized through state statute, including details on the sources of repayment
- General Fund-supported GO bonds and Lottery-backed bonds receive the highest level of scrutiny by the legislature
- Historically, the biennial “bond bill” is approved at the end of the session by the Legislature, which sets the maximum amount of borrowing allowed in the biennium for each GO and revenue bond program
  - May be moving to an annual bond bill approach now that the Oregon Legislature meets annually



# Oregon's Debt Issuance Process

- By statute, Oregon's State Treasurer (OST) structures and sells all state bonds, working in close collaboration with specific state agencies, boards, authorities, and/or commissions who administer bond financed programs
  - OST reviews the cash flows and coverage projections for all self-supporting GO and revenue bond programs
  - Coverage levels vary by program, based on the nature of the underlying source of repayment
- OST also coordinates all rating and investor presentations, striving for the highest ratings and lowest cost of funds on State bond sales
- OST also led a comprehensive review and modernization of state and local bonding statutes in 2007, in collaboration with the State's Law Commission, Department of Justice and Oregon-based bond lawyers

# Oregon's Bonding Programs for Transportation Projects

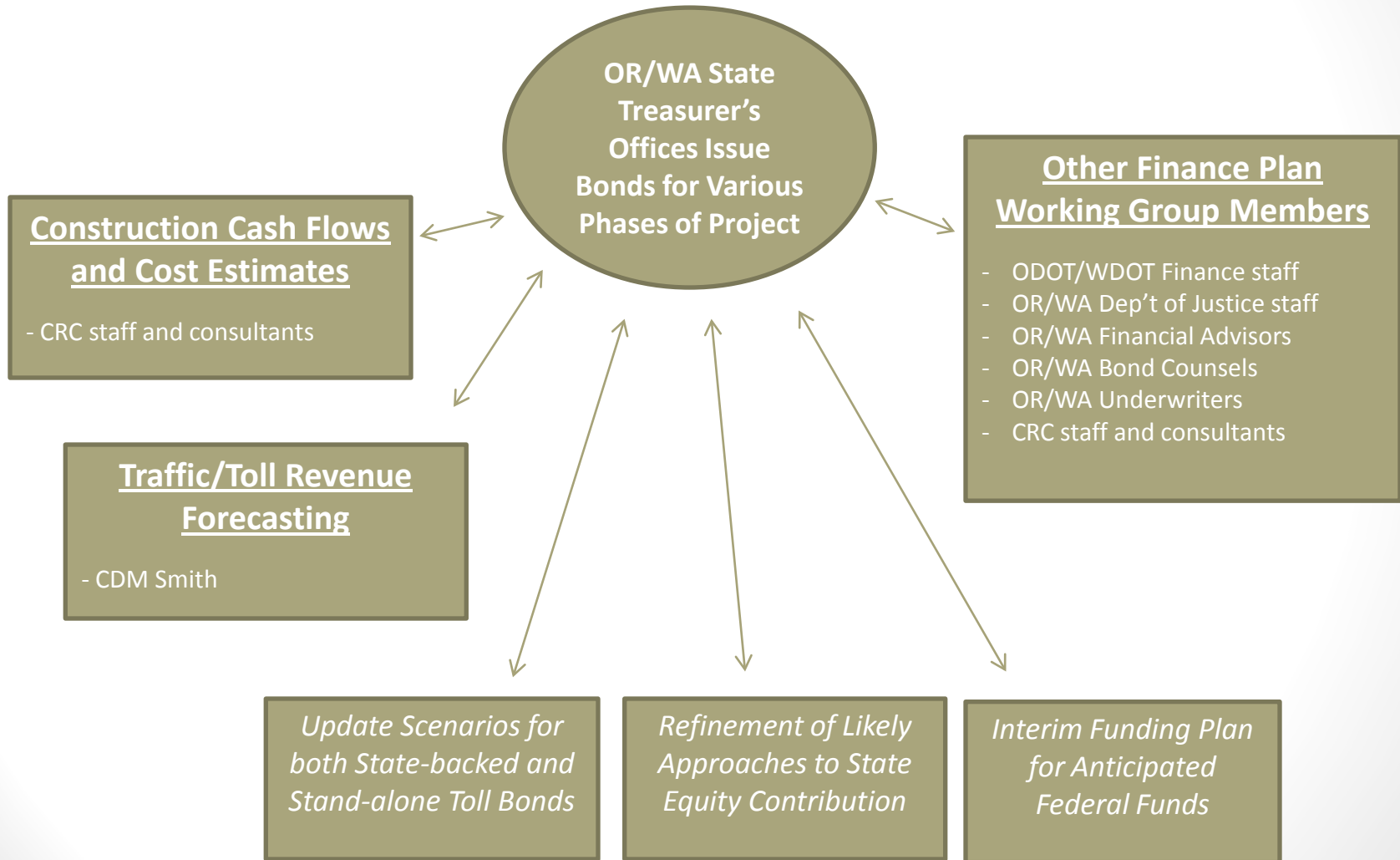
Bonded Construction Program	Year(s) Enacted	Purpose	Bonds Authorized	Bond Program	Debt Service Coverage/ Ratings	Revenue Sources Pledged		
						DMV Fees	Fuels Tax and Weight Mile Fees	Net Lottery Revenue s
Oregon Transportation Improvement Act (OTIA) I/II	2001, 2002	High priority highway projects	\$500 M	Highway User Tax Revenue Bonds (no state GO pledge)	3.0x at senior lien (AAA/Aa1/AA+)  2.0x at subordinate lien (AA+/Aa2/AA)	X	X	
OTIA III	2003	Seismic upgrades to bridges statewide	\$1,900 M					
Jobs and Transportation Act	2009	Specific congestion relief projects	\$840 M					
Connect Oregon Program, I-IV	2005-2011	High priority multi-modal public and private sector projects	\$340 M	Lottery Revenue Bonds	4.0x (AAA/Aa2)			X
Columbia River Crossing	Anticipated in 2013	State equity contribution to overall project	\$450 M	State General Obligation Bonds	Anticipated at 1.10x (AA+/Aa1/AA+)	Anticipated		

# The CRC's Financial Plan

based on the Final Draft Environmental Impact Statement (FEIS)

Sources of Funds	Estimated Amt (\$M)
Federal Funds	
Discretionary Highway Funds	\$ 400
New Starts Transit Grant	850
State Funds	
Equity Contribution (\$450M per state)	900
TIFIA Loans and/or State-backed bonds (50% per state) repaid with toll revenues	900 - 1,300
Total	\$ 3,145 - 3,450

# Participants in the Development and Execution of the CRC Plan of Finance



# Debt Approval and Issuance Process in the State of Washington:

## Transportation Project Finance

Ellen Evans

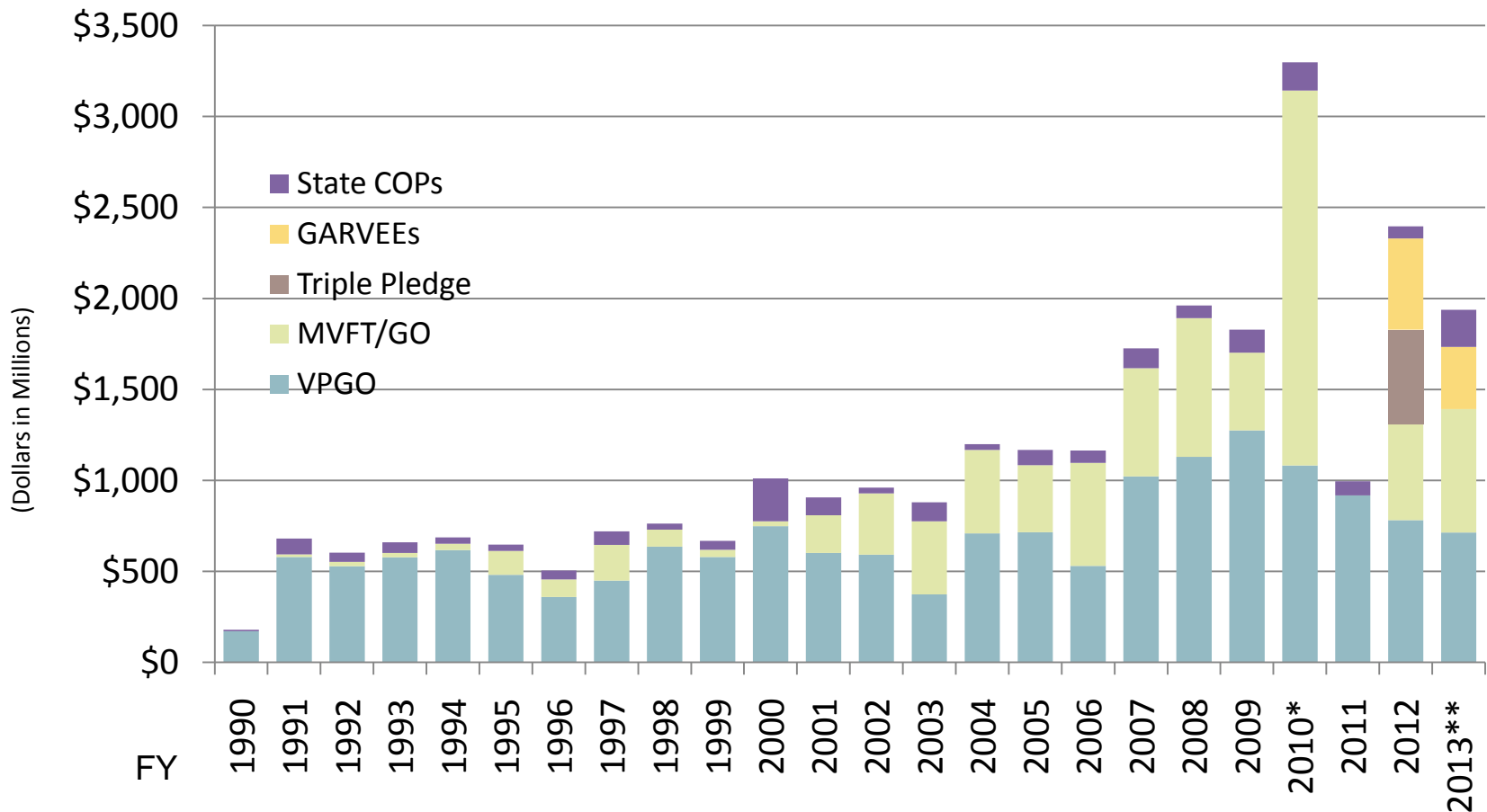
Deputy Treasurer, Debt Management

Washington State Treasurer's Office

December 10, 2012

# State of Washington Debt Portfolio Capital and Transportation Projects

GO Bonds, GARVEES, and COPs Issued 1990-2013



\*In 2010, the state accelerated FY 2011 MVFT/GO issuance as part of the subsidized federal Build America Bond program.

\*\*Estimate.

Source: Office of the State Treasurer



# Transportation Project Finance in Washington

## High Level Focus on matching Sources to Uses

WSDOT proposes bonding for capital project based on preliminary finance plan

### Other Legislative Authorizations

- Designation of eligible toll facility
- Authorization of Bi-state Transportation Commission Agreement

### WSDOT operating agreements

- Toll collection
- Operations and Maintenance

### Legislative Bond Authorization /Appropriation

- Provide purpose for the bond proceeds
- Authorize not-to-exceed amount of bonds
- Anticipate revenues to be pledged (toll revenues, federal funds, state gas taxes, GO pledge or some combination)
- Establish parameters of financing / delegate to the State Finance Committee
- Authorize use of a trustee

# Further Development of Project Finance Plan

## Matching Sources to Uses, today... and in the future

### Further Development of Finance Plan

- Initial Toll rate schedule
- Traffic and Revenue projections - gross and net toll revenue
- Toll Rate revisions – revised Revenue Projections
- Timing of Bond Sales depending on Cash Flow needs
- Operating and Maintenance Cost Projections
- Adjustments to Project Cost
  
- Throughout the process, demonstrate the defined project is fully funded

### Development of Legal Framework for financing (Resolution)

- Finance team includes attorneys, accountants, bankers , and financial advisors in addition to the project management team, DOT , Office of the State Treasurer, traffic consultants and engineers

# Transportation Project Finance: Factors considered in issuing different types of debt

## Debt capacity

- Type of revenue to be pledged
- Future capital plans
- Characteristics of the revenue stream: sensitivity analysis, history

## Cost of capital

- Market conditions
- Rating agency credit analysis

# Process for issuing debt in Washington

## State Finance Committee

### *Bond Resolution* – legal and financial framework

Specifies security and pledge, flow of funds, rate covenants, additional bonds test

New:

- Master Bond Resolution for SR520 toll-backed financings (triple-pledge, TIFIA and stand-alone toll revenue)
- Master Bond Resolution for GARVEEs

### *Sale Resolution* - authorizes sale of bonds

May be delegated to the Treasurer

# Lessons learned from other projects

## Importance of rate covenants

- Contractual requirements support disciplined implementation
- Long-term focus – commitments to bond holders of all maturities
- Transparent financial reporting
- Transparent performance measures

## Full recognition of sources and uses of funds



# Project Master Timeline

As required by ESHB 2190 (2012)



# Proposed construction sequence



Orange Marine Drive/Hayden Island  
(4 years, starting 2018)

Yellow Mainland connector  
to Hayden Island  
(2 years, starting 2015)

Green OR Transit  
(3-4 years, starting 2016)

Purple River Crossing  
and approaches  
(6 years, starting 2014)

Teal Bridge demolition  
(1.5 years, starting 2021)

Magenta WA North (Mill Plain Blvd., Fourth Plain Blvd.,  
29th St., 33rd St., SR 500)  
(5 years, starting 2016)

Blue Park and rides  
(and misc. transit)  
(2 years, starting 2015)

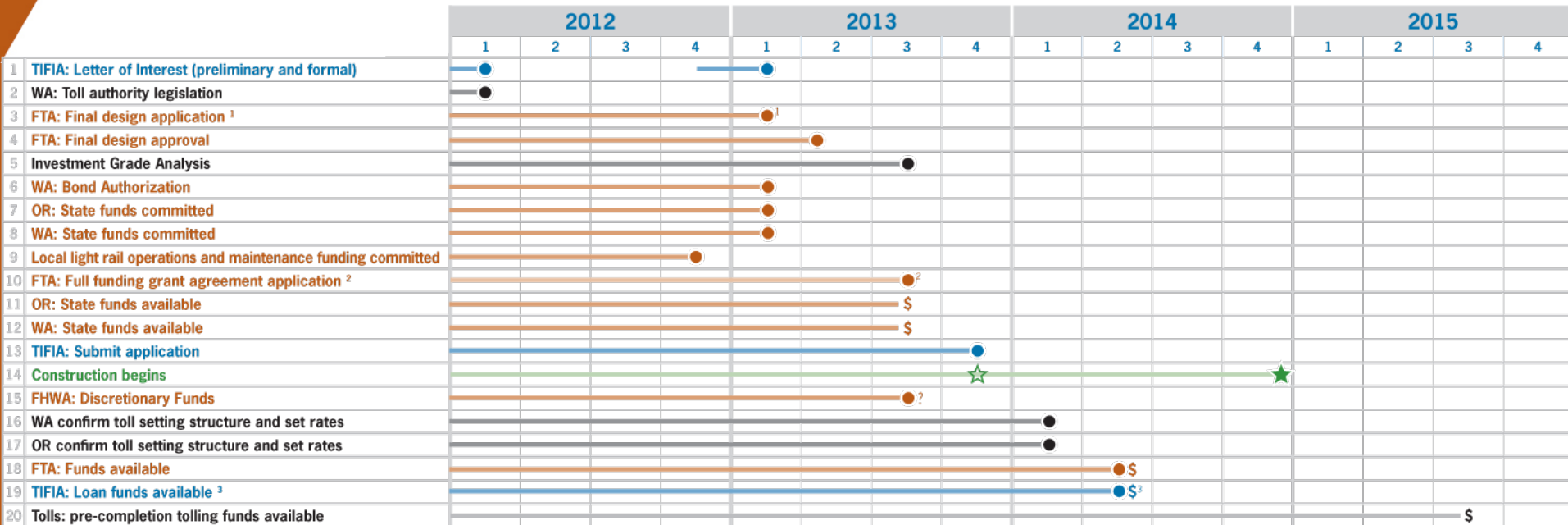
Cyan WA Transit  
(4-5 years, starting 2015)

# Targeted environmental permitting schedule for Columbia River bridges

2012	2013				2014		
fall	winter	spring	summer	fall	winter	spring	summer
<ul style="list-style-type: none"> <li>Submit applications for Section 404 Clean Water Act permit and 401 Water Quality Certification</li> </ul>	<ul style="list-style-type: none"> <li>Submit Section 408 of Rivers and Harbor Act for approval and applications for local land use permits</li> <li>Submit application for General Bridge permit</li> </ul>		<ul style="list-style-type: none"> <li>Obtain local land use permits</li> </ul>	<ul style="list-style-type: none"> <li>Obtain 401 Water Quality Certification</li> <li>Obtain General Bridge Permit approval</li> </ul>			<ul style="list-style-type: none"> <li>Obtain Section 408 approval and 404 permit</li> </ul>



# Funding schedule (subject to change)



## Estimated funding sources

Federal Transit .....	\$850 M
Federal Highway .....	\$400 M
Tolls* .....	\$900 M - \$ 1.3 B
OR/WA state funds (\$450/each) .....	\$900 M

\*TIFIA is a federal loan and credit program. Tolls are the revenue source for the loan. The federal backed loan program reduces coverage rate for tolls.

- <sup>1</sup> Must have 50% non-FTA funds committed or budgeted. Tolling authority in 2012 expected to meet this requirement. MAP-21 may affect FTA New Starts requirements.
- <sup>2</sup> Must have all funds authorized.
- <sup>3</sup> TIFIA is typically the last funding source. Must have full finance plan and FTA approved.

### KEY

● ● ● ☆ = Due Date    BLUE = TIFIA    BLACK = Tolling    ORANGE = FTA, FHWA and State Funding

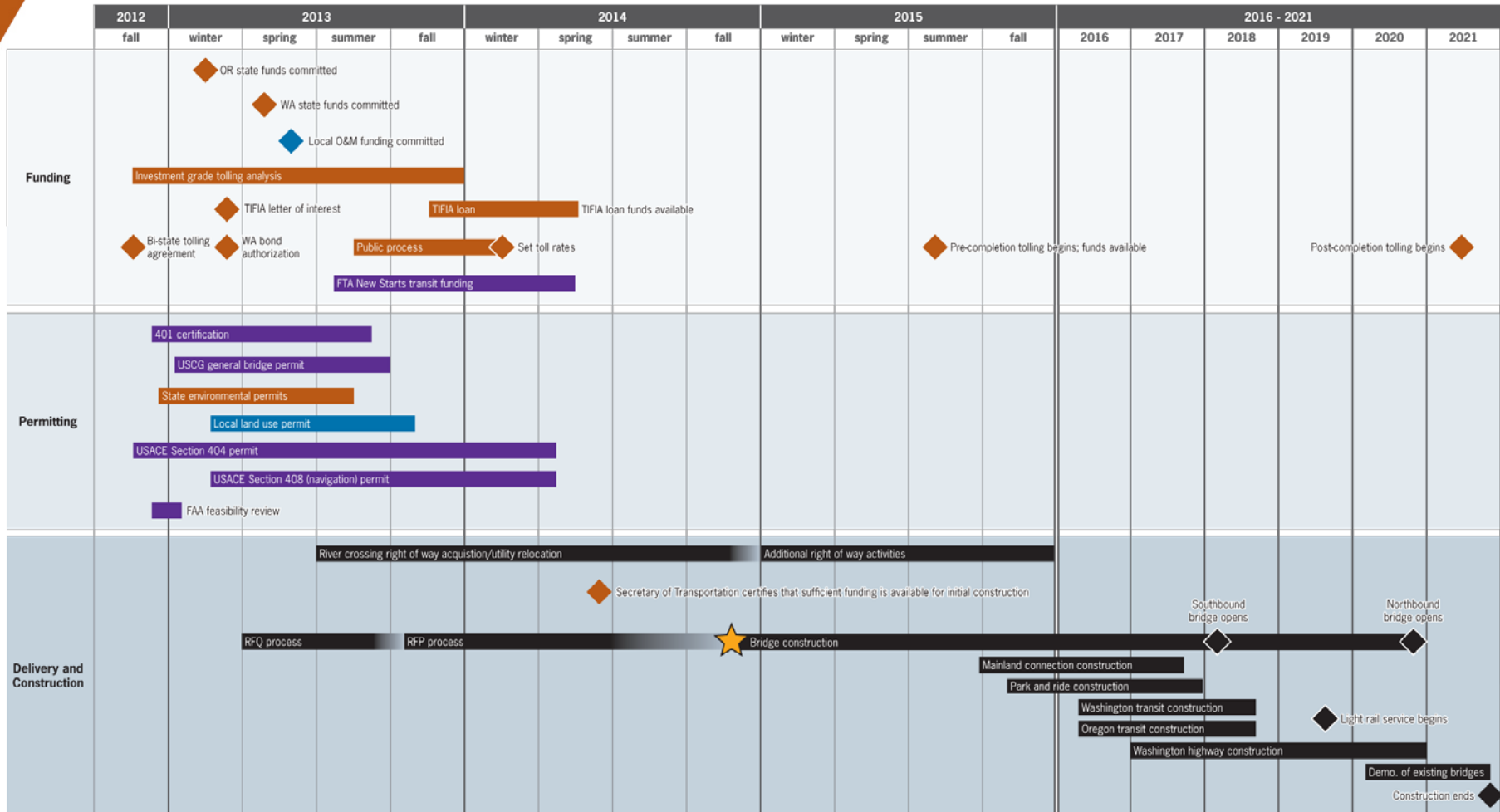
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# 2013 Legislative actions needed

To secure \$850 million FTA New Starts Funds:

- **Washington equity contribution**
  - \$450 million for full project
  
- **Bonding authorization**
  - Up to \$600 million in toll-backed bonds

# Project master timeline as required by ESHB 2190 (2012)



◆ State ◆ Local ◆ Federal

Updated 12/10/12



# Columbia River **CROSSING**

700 Washington Street, Suite 300  
Vancouver WA, 98660

**Washington 360-737-2726**

**Oregon 503-256-2726**

**Toll-Free 866-396-2726**

[www.ColumbiaRiverCrossing.org](http://www.ColumbiaRiverCrossing.org)

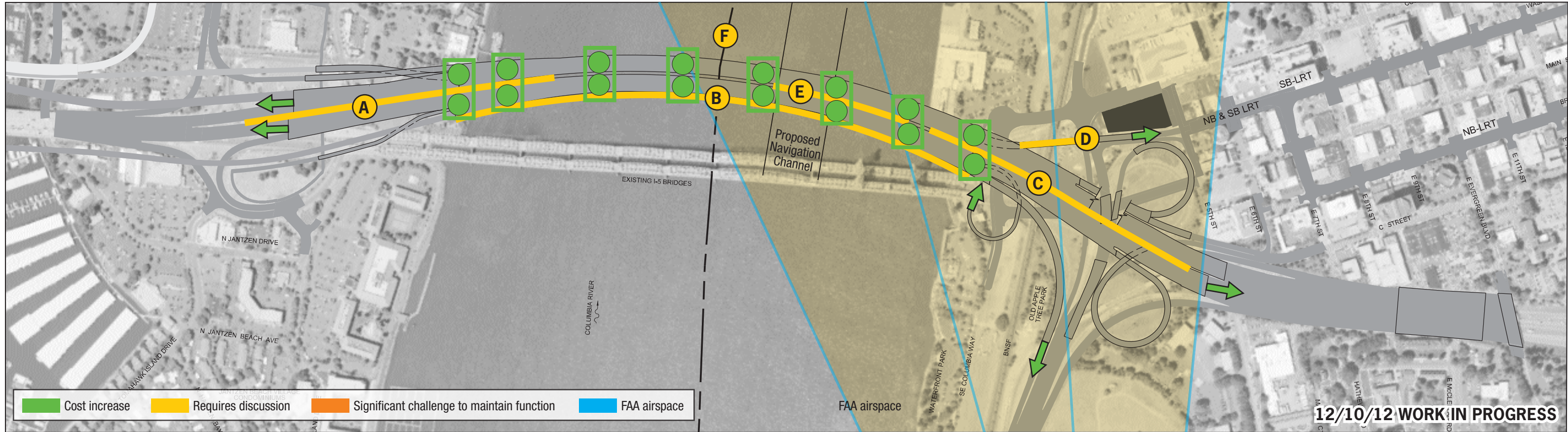
[feedback@columbiarivercrossing.org](mailto:feedback@columbiarivercrossing.org)





# Columbia River CROSSING Refined analysis - 115-116 feet

9-11 vessels/users potentially impacted\*



\* Potential impacts at 16 ft river stage and 10 ft air gap. Some of the vessels would pass at a lower river stage and/or with a smaller air gap. For this illustration each fabricator was represented by 1 vessel.

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