

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE OREGON AND WASHINGTON PARTNERS REGARDING
THE DEVELOPMENT OF THE HOOD-RIVER WHITE SALMON INTERSTATE REPLACEMENT BRIDGE**

This MEMORANDUM OF UNDERSTANDING (“MOU”) is hereby made and entered into, by and between, the City of Bingen, City of White Salmon, and Klickitat County (the “Washington Partners”), and the City of Hood River, Hood River County, and Port of Hood River (the “Oregon Partners”). While nonbinding, this MOU establishes the methods by which the partnering agencies will, as the Bi-State Working Group (BSWG), cooperatively oversee, manage, and conduct project development for the Hood-River White Salmon Interstate Replacement Bridge (the “Replacement Bridge”).

RECITALS

1. The existing Hood River-White Salmon Interstate Bridge is obsolete and will not meet the long-term needs of the travel market it serves. Steps must be taken now to fund, design, and procure a Replacement Bridge to avoid an expensive rehabilitation of the existing bridge beginning in FY 2026.
2. In February 2008 the Partners adopted a memorandum of understanding to work cooperatively to seek funding for Final Environmental Impact Statement for the Replacement Bridge. In November 2011 the Partners adopted a memorandum of understanding selecting the preferred type, size, and location of the replacement bridge and agreeing to continue to work cooperatively for the Replacement Bridge.
3. The Port of Hood River, funded by an ODOT grant, is preparing a Supplementary (SDEIS) and Final (FEIS) Environmental Impact Statement of the Replacement Bridge to satisfy NEPA requirements. The Port established the Bi-State Working Group (BSWG), consisting of the Oregon and Washington Partners, to facilitate information exchange and coordination regarding the NEPA activities.
4. The BSWG identified two major requirements for advancing the Replacement Bridge project:
 - a. Governance: A bi-state governance structure, which includes representatives of the Oregon and Washington Partners, must be established to oversee the Replacement Bridge Project. The bi-state structure will be implemented in two phases. A legislatively-enacted bi-state bridge authority will best serve the long-term governance requirements of the Replacement Bridge. Between now and the start of the bi-state bridge authority, BSWG will guide the development of the Replacement Bridge.
 - b. Grant Funding: While toll revenue bonds are anticipated to pay for most of the cost to construct the Replacement Bridge, federal and/or state grant funding is required to complete project design and development and pay a portion of bridge construction. Acquiring these grant funds requires a coordinated effort by BSWG.
5. This MOU sets forth the role, responsibilities, and work plan of the, BSWG, agreed to by the Oregon and Washington Partners, to design, develop, implement a governance structure, and seek funding for the Replacement Bridge.

UNDERSTANDING

1. Composition of BSWG

- 1.1. Klickitat and Hood River Counties, the Cities of Bingen, Hood River, and White Salmon, and the Port of Hood River (POHR) will each appoint one member of its governing body to the BSWG, and one member of its governing body as an alternate.
- 1.2. Each of these appointments will be made in the manner and for the term determined by the appointing body.
- 1.3. Each jurisdiction will promptly designate a new member, or alternate, to fill any vacancy that arises.

2. Purpose and Authority of BSWG

- 2.1. BSWG will be responsible for:
 - Guiding project development activities and resolving issues by consensus
 - Overseeing Phase 2 and, until the Bi-State Authority is operational, Phase 3 work.
 - Providing for interagency coordination on all project issues
 - Facilitating the implementation of the Bi-State Authority
 - Seeking the funding necessary to design, develop, and construct the Replacement Bridge.
- 2.2. The governing bodies of the jurisdictions will be responsible for approving or rejecting the budgets, work plans, or other actions required of their organization by the consensus direction set by BSWG.

3. Public Engagement

- 3.1. BSWG is responsible for undertaking an open and equitable public engagement process for the Replacement Bridge.
- 3.2. BSWG will issue periodic newsletters and maintain a website to keep the public updated on project activities.
- 3.3. Meetings of BSWG will follow the applicable public meeting and records laws of Oregon and Washington.
- 3.4. BSWG will ensure there are meaningful opportunities for public input at key decision points during project development.

4. Project Development Work Plan

- 4.1. BSWG will cooperatively take the actions needed to develop a Replacement Bridge that is construction-ready no later than FY2026.
- 4.2. Subject to funding availability, the Phase 2 work (between January 2021 and June 2023) is anticipated to include the following:

- a. Completing up to 15% engineering design (including geotechnical analyses)
 - b. Level 2 traffic and toll revenue study
 - c. Preliminary financial analyses
 - d. Preparing and securing Bi-State Authority legislation
 - e. Preliminary assessment of Public-Private Partnerships (P3) opportunities (If P3 is selected as the preferred project delivery method, some work activities in Phase 2 and 3 will change)
 - f. Securing grant funding for Phase 3 of project design and development
- 4.3. Subject to funding availability, the Phase 3 work (between July 2023 and June 2025) is anticipated to include the following:
- a. Completing at least 60% engineering design
 - b. Investment grade traffic and toll revenue study
 - c. Preparation of Plan of Finance for lenders, granting authorities, and rating agencies
 - d. Further P3 consideration or procurement, as may be appropriate
 - e. Implementation of the Bi-State Authority
 - f. Securing grants and credit ratings and making loan applications for design and construction.
- 4.4. The work activities included in Phase 2 and 3 will be adjusted as may be necessary to be affordable with available funding.

5. Management of Project Development

- 5.1. All project development work will be undertaken by a Lead Agency agreed to by BSWG. POHR will be the lead agency for Phase 2 work. The Lead Agency for Phase 3 depends on future circumstances. If the Bi-State Authority is operational before the start of Phase 3, it will be the Lead Agency. Otherwise BSWG will agree on a Phase 3 Lead Agency.
- 5.2. The Lead Agency will, within the available budget:
- a. Retain a Project Director to oversee required day-to-day technical and administrative work
 - b. Procure and manage the consulting teams required by the work plan
 - c. Staff BSWG meetings
 - d. Ensure that BSWG is provided technical reports and presentations required by BSWG.
 - e. Coordinate the legislative program described in Section 9
 - f. In the name of BSWG, undertake the necessary public engagement and stakeholder coordination, as directed by BSWG
- 5.3. The member jurisdictions shall coordinate with the Project Director with respect to any work activities regarding the Replacement Bridge they undertake.

6. Funding of Work Activities

- 6.1. BSWG is responsible for securing the grant funding required to complete project development and to construct the Replacement Bridge.
- 6.2. BSWG will seek funding contributions for from Oregon and Washington agencies/jurisdictions with the intent of securing equitable contributions from Oregon and Washington agencies/jurisdictions during project design, development, and construction.

- 6.3. Bi-state funding will be pooled so that project development work can be prioritized, procured, and managed by the Lead Agency to implement the work plan agreed to by BSWG.
- 6.4. Funding will be provided to the Lead Agency through interlocal/governmental agreements; granting agency will oversee the work to ensure it complies with the terms and conditions of the granting agency.

7. Long-Term Governance

- 7.1. BSWG will seek to establish an independent Bi-State Authority for the long-term governance of the development, financing, construction, and operations of the Replacement Bridge.
- 7.2. BSWG will prepare and propose bi-state legislation establishing the Bi-State Authority during the 2022 or 2023 legislative sessions; BSWG intends to have the Bi-State Authority operational no later than FY2024.
- 7.3. Prior to proposing legislation establishing the Bi-State Authority to the Oregon and Washington legislatures, BSWG will seek supporting resolutions from the governing bodies represented on BSWG.
- 7.4. If the Bi-State Authority is not approved by the Oregon and Washington legislatures, BSWG will continue in its role as described in this MOU.

8. Public-Private Partnership (P3)

- 8.1. BSWG will continue to examine the P3 option, including soliciting industry opinion regarding the potential P3 market for the Replacement Bridge during Phase 2 of project development. If P3 is determined to be the preferred project delivery method, the work plan for Phases 2 and 3 would be adjusted accordingly.
- 8.2. P3 authority will be proposed for the Bi-State Authority similar to that of POHR.
- 8.3. If (a) the Bi-State Authority is not approved or sufficient grant funding is not secured for Phase 3 work and (b) BSWG concludes that a P3 project may be practical, BSWG will consider recommending to POHR that, in cooperation with BSWG, it undertake the project as a P3 under its existing authority.

9. Legislative Strategy

- 9.1. The members of BSWG will be mutually responsible for seeking bi-state legislative approvals of the governance and funding proposals prepared by BSWG.
- 9.2. The Project Director will be responsible for coordinating the efforts of BSWG with regard to seeking legislation.
- 9.3. During Phase 2, POHR will provide a lead government affairs consultant for the Oregon and Washington legislative sessions. The BSWG members will facilitate the assistance of government affairs staff/consultant retained by their jurisdiction to assist the lead government affairs consultants.

9.4. BSWG intends to undertake the following legislative efforts (in each state):


- a. 2021 Session: Seek legislation requiring BSWG to study and prepare legislation establishing a Bi-State Authority to govern the design, development, and operations of the Replacement Bridge and to report its findings to applicable legislative committees in each state prior to the 2022 legislative sessions. Seek a \$5 million grant from each of Oregon and Washington to fund Phase 2 project development and engineering activities
- b. 2022 Session: Seek approval of legislation creating the Bi-State Authority.
- c. 2023 Session: If not enacted in the 2022 Session, seek approval of legislation creating the Bi-State Authority. Seek grant contributions from each of Oregon and Washington to fund Phase 3 project development and engineering activities and, if appropriate, construction of the Replacement Bridge.
- d. 2025 Session: If not approved earlier, seek contributions from Oregon and Washington to fund the construction of the Replacement Bridge.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the last date below.



Mayor Betty Barnes, City of Bingen

Date: 10-20-20



Mayor Kate McBride, City of Hood River

Date: 10-13-2020



Mayor Marla Keethler, City of White Salmon

Date: 10/22/2020



Chairman Mike Oates, Hood River County

Date: 10/19/2020



Chairman Jim Sizemore, Klickitat County

Date: 10/20/20



President John Everitt, Port of Hood River

Date: 10-28-2020