



BRIDGE REPLACEMENT PROJECT

Bi-State Working Group Meeting

Friday, March 22, 2021 | 2-4 p.m.
Port of Hood River – via Zoom
1000 E Port Marina Drive, Hood River OR 97031

In Attendance:

Committee: Betty Barnes (Mayor), City of Bingen; John Everitt (President), Port of Hood River; Marla Keethler (Mayor), City of White Salmon; Kate McBride (Mayor), City of Hood River; Bob Benton (Commissioner), Hood River County; Jake Anderson (Commissioner), Klickitat County; Kristi Chapman (Commissioner), Port of Hood River - alternate; Arthur Babitz (Commissioner), Hood River County - alternate

Consultants: Scott Polzin, WSP; Anne Presentin, WSP; Brian Carrico, WSP.

Members of the Public: Kristen Stallman, ODOT

Staff: Kevin Greenwood (Project Director), Port of Hood River; Michael McElwee (Executive Director), Port of Hood River; Steve Siegel, Siegel Consulting; Brad Boswell, Boswell Consulting; Miles Pengilly, Thorn Run Partners

Legislative Update:

Representative Williams gave a brief update regarding the Bi-State Bridge Authority conversation. On the Oregon side there is some anxiety around the Bi-State Bridge Authority in Portland – Vancouver. They want to keep their issues clear and separate. Rep. Williams said they are pushing on the funding and taking a step back on the Bi-State Bridge Authority piece for now.

Miles Pengilly provided an update. They have been meeting with all the legislators that will be involved with the decision making regarding the \$5 million funding allocation. The Port has been invited to present the project to the Joint Transportation Committee. Pengilly also noted that there is \$2.6 billion of federal money that is coming into the state of Oregon. The federal money needs to be spent by end of 2024.

Kate McBride asked when the decision would be made about where the federal money will go. Rep. Williams said she did not know yet.

Bob Benton asked Rep. Williams to speak more on the anxiety that exists in Salem with respect to the creation of the Bi-state Bridge Authority. Rep. Williams said that our concept confuses their conversation that they are trying to have with Vancouver about the bridge between Portland and Vancouver. The Transportation Committee felt very strongly that they finish the planning for that process first then move on to the Hood River – White Salmon bridge.

Kevin Greenwood turned to Senator Curtis King for updates. Sen. King said that they just dropped their transportation budget that includes a stipulation that references the bi-state bridge agreement, and a study that will be performed by their Joint Transportation Committee.

Sen. King noted that in the 2023 budget there is \$5 million that will go to Klickitat County. These funds can only be used on the Hood River bridge to help with phase 2. This is still in Senate and needs to go to the House for approval.

Greenwood asked Sen. King to comment on how Bridge Authority formation was transpiring. Sen. King said that there is a good understanding of what is trying to be accomplished.

One member asked Brad Boswell if there is any indication that the House will not give this the support that Sen. King has given it. Boswell replied that he has no red flags and will be reaching out to two House members from that district.

Greenwood asked Boswell when it is expected for the money to be available. Boswell said he is not certain but thinks it would be available July 1, 2021.

Greenwood noted that there are three funding strategies available. The biggest one being Build Back Better (BBB). Michael McElwee added that with the transportation reauthorization legislation that is expected; Senator Merkley is trying to build in a higher TIFIA cap for projects in rural communities. McElwee also commented on the Community Support Projects where various elected official representative senators are developing methods by which their constituents can request funding.

Bridge Replacement Strategy Work Session

McElwee began his presentation with the agenda which included the existing bridge Capital Maintenance Plan (CMP), and bridge replacement project strategy. McElwee said that the first obligation of the Port is to keep the bridge safe and operational for as long as possible. The second obligation for the Port/BSWG is to do everything it can to ensure that the new bridge is built as soon as possible.

McElwee presented an overview of the Long-Term Preservation Model-2011 (LTP Model). The expectations for the lifespan of the current bridge, and work that needs to be done, was based on work that was done in 2011. The LTP Model assessment was done by dividing the bridge into different components, then subdivisions. There is a National Bridge Institute (NBI) rating system that is used to rate each component, and an assessment is done on each subdivision. Based on collective data from other DOTs; the engineers were able to project ahead what the deterioration rate of each component piece would be. From this data a CMP was created with a 30-year projection. The CMP is updated every 1-2 years.

McElwee continued with the 2021 load rating reduction that was required by ODOT. An assessment will be conducted to determine what needs to be done to get the rating back up, and what the cost would be. This is expected to be completed and presented to the commission by Fall of 2021.

McElwee presented the latest version of the CMP. Based on the CMP there are two projects that cannot be avoided. This is the deterioration of the North & South approach ramps. The other project is the lift span. There are other big projects that they are trying to hold off on, in hopes that the bridge replacement efforts take hold.

Arthur Babitz asked what confidence the engineers had in the limits they were placing. McElwee said that the confidence level was very high. Babitz commented that one year the engineer stated that the issue was

with dynamic loads, and another year it was stated that the issue was with static loads. Babitz asked what the current belief is. McElwee said it was both.

One member asked if the cost is too high to raise the load rating, can they push forward like Cascade Locks did, and declare an emergency and get capital funding. McElwee responded that yes that would provide the impetus for that.

Benton asked if the NBI ratings were still at sixes today. McElwee said yes. Benton commented that the goal was to replace the bridge as soon as possible and asked if this was their strategy. McElwee said yes but the strategy has not been discussed. McElwee clarified that this is just a look back on how the current bridge is being addressed.

Replacement Bridge

McElwee reviewed the challenges and opportunities that come with replacing the bridge. He also presented a 9-point strategy. Some of the strategies were the Bi-State collaboration, building community and legislative agency awareness and support, as well as demonstrating project credibility. McElwee also presented a conceptual phasing schedule.

McElwee continued with some recent questions that individuals have asked. One question was why not set a closure date or an absolute replacement date now. McElwee said that this goes back to the commission and how its first obligation has always been to keep it open and operational for as long as possible.

Another question was why not stand up a large Project Management Organization now. McElwee said that there are no funds to do that now, and they are not ready.

Also why not take steps to determine project delivery method now. McElwee said that this goes back to the strategy and keeping all options open and not spending money that will not be needed or useful.

Last question was determining who will own the bridge. McElwee said this is unknown as they do not know if they will have a Bi-state Bridge Authority.

McBride asked if the Port preferred not to have the bridge after the new bridge is built. McElwee responded that the consensus of the commission is to transition to another entity or agency. McBride asked if the Bi-state Bridge Authority never had come to fruition, and the bridge needed to be replaced, would the Port have taken that on. McElwee said that he did not believe that the Port would take that on unless there was clear support from both sides of the river.

Babitz asked if you move forward with a P3, is there a financial model for the Port that acknowledges the transition of ownership. McElwee responded no. There is no scenario that the ownership of the bridge will transition to another private entity. This is because the statutory authority that was obtained in 2017 specifically states that they cannot sell the bridge. A P3 partnership would be a long-term lease structure. The current bridge and services would remain until the new bridge is open. McElwee added that the Port is implementing certain steps that would put them in the best possible financial position at that transition date realizing that they may not exist as a Port. Babitz asked when the transfer of tolling authority would occur. McElwee responded that he cannot say when but that it would occur at the point at which the new bridge is open and operational.

Babitz commented that he was under the understanding that Federal Highways Administration (FHA) requires a financial plan to be part of an Environmental Impact Statement (EIS). Babitz asked if there was a financial plan in the EIS Draft. Greenwood responded that the financial plan requirement is for \$500 million

or larger, but that the Port is working with Steve Siegel to develop a financial plan. Babitz asked how confident Greenwood was that the project would be under \$500 million. Greenwood responded that they have completed a preliminary cost estimate that includes programming costs. Final range in 2028 was \$330 million to just under \$400 million.

McBride commented that if they move forward with a P3 then some of the things noted in the CMP may not have to be completed. McBride also noted that she would feel more confident knowing that the bridge was coming sooner than later. McElwee said that P3 is absolutely one of the options and needs to press forward on that front as well as the other options.

John Everitt commented that the cost of crossing the river is a friction on the regional economy. The lower the cost the less friction there will be. Everitt also noted that Plenary's P3 presentation on Colorado's long-term lease arrangement was attractive – McBride agreed. Babitz added that doing the bridge quickly would result in an unknown toll number. If funds do get granted then it is possible that there might not even be a toll, but if the bridge is not built until 10-15 years there are significant costs associated with that. Everitt added that it cannot go past 10-15 years as dictated by the CMP. If it's not done by 2025 it becomes problematic.

Jake Anderson asked if they go through a P3, what would be the potential liability. Anderson noted that there is a good chance of getting federal funds and believes this is where their efforts should be going. If they can get the funding from state, federal and tolls, then what would be the purpose of a P3. A P3 would not add any value. The bridge is practically going to run on its own with electric tolls and less maintenance. With a P3 model there is a 10% ROI per year that would increase the tolls. The economy here could not support this toll increase. Babitz commented that this was the feeling back in 2007 in terms of the ability to get funds but was never able to get that to materialize. Everitt added that with a financial model they can start to quantify their options.

Greenwood asked what the required changes to Washington statutes are between bridge authority and any legislative changes that are required in Olympia. These are important challenges or opportunities to take into consideration. Babitz asked who is on the other side when it comes to making the statutory changes in Washington state to achieve this. Greenwood said that its critical for Klickitat County partners to take that to Olympia. Anderson commented that he would not like to push for a P3, that may have negative impacts, if it is not needed.

Greenwood commented that he is working with Siegel in the next couple of months to start developing a financial plan.

Project Communications

Greenwood briefly reviewed the project communications. Monthly written reports are submitted via email. There are regular monthly meetings. There is a Bi-State Working Group (BSWG) web page that is currently hosted on the Ports website. There are also several tools that are used to communicate to the public.

Adjourn:

Greenwood commented that the next meeting will be in about 2 weeks. Topics for the next meeting include the RFP for the AE Design contract. Also, an introductory session with Siegel to look into the financial plan.

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