

Cost Estimate Update

The cost estimate and financial plan update represents the next steps in replacing the Interstate Bridge with a modern, earthquake resilient, multimodal structure that will improve safety and keep people - and our economy - moving into our future. With the adoption of the Modified Locally Preferred Alternative (LPA) further clarity is now available into program elements and cost drivers. Current market conditions including recent inflation, workforce availability, material costs and supply chain disruptions are also factored into this update. The cost estimate has been validated through a detailed risk and estimation process to reflect a range of risk impacts and possible mitigation strategies.

Background

A preliminary cost estimate range was identified in 2020 based on the previous planning effort (Columbia River Crossing). The preliminary cost estimate adjusted for known changes and cost escalation for the projected year of expenditure. The preliminary cost estimate identified in the Conceptual Financial Plan was \$3.2 to \$4.8 billion.

Updated Cost Estimate

A new cost estimate has been developed and reflects the current, endorsed LPA components and current market conditions. **It also accounts for potential risks and opportunities**, and expenditures for construction of the replacement bridge and facilities, occurring between 2025-2035. The new cost estimate range is \$5 - \$7.5 billion.

Program elements that have been included in the updated cost estimate that were not part of previous estimates are:

- ▶ Replacement of the North Portland Harbor Bridge
- ▶ A braided ramp at Marine Drive and new arterial bridge between Hayden Island and North Portland
- ▶ Light rail traveling on an elevated structure adjacent to I-5 in Vancouver
- ▶ An elevated transit station near the Vancouver Waterfront



Updated Cost Estimate

\$ Base Cost

+ Range of Identified Project-Specific Risks

+ Inflation (Year of Expenditure): 2025-2035

\$ \$6 billion*

*Includes risks and opportunities, and assumes a likelihood of 60% that all identified risks and delays occur.

Planning for Uncertainty

Risks in the cost estimation process can be associated with unexpected cost escalation of materials or labor, inflation, schedule delays, and unplanned events or findings during construction. National and regional construction projects have seen unprecedented cost increases due to the effects of unanticipated construction interruptions, highly competitive, saturated market conditions, labor shortages, and historically high inflation rates.

A Cost Estimate Validation Process (CEVP) was recently completed to provide independent review and validation of project cost and schedule estimates.



