

# Cost Estimate & Financial Plan

The Interstate Bridge Replacement program will address the transportation needs associated with the aging Interstate Bridge and ensure a modern, earthquake-resilient multimodal corridor that will improve safety and keep people—and our economy—moving into our future.

## IBR Program Cost Estimate

The IBR program cost estimate reflects the components being analyzed in the Draft Supplemental Environmental Impact Statement. The cost estimate accounts for current market conditions, along with potential risks and cost saving opportunities, and includes costs associated with constructing the replacement bridge and other program components in the 2025 – 2035 timeframe.

The estimated cost for the program is **\$5 to \$7.5 billion**, with a likely estimated cost of **\$6 billion**. Revenue from a diverse range of sources is required, including federal funds, tolling, and state funds from both Oregon and Washington. Tolls will be used to help pay for construction, operations and maintenance of the facility, and to help improve travel reliability within the program corridor.



### Updated Cost Estimate

- + Base Cost
- + Range of Identified Project-Specific Risks
- + Inflation (Year of Expenditure)

**\$ Updated Cost Estimate**

### What is included:

- ▶ Replacement bridge over the Columbia River
- ▶ Replacement of the North Portland Harbor Bridge
- ▶ Three through lanes and one auxiliary lane southbound and northbound
- ▶ Extension of light rail from Portland to Vancouver, with the addition of three new station locations
- ▶ Partial interchange on Hayden Island
- ▶ Full interchange on Marine Drive
- ▶ Access bridge from Hayden Island to Marine Drive

## Financial Plan

The IBR cost estimate sets the foundation for developing the program's **Financial Plan** which identifies potential funding sources and financing mechanisms, including federal funds, tolling, and state contributions. The Financial Plan identifies committed, anticipated, and prospective funding sources to achieve the most likely cost estimate of \$6 billion. The funding sources include:

- ▶ **Federal Competitive Grants** (\$2.5B prospective, and \$1M committed)
  - The program is focused on maximizing federal grant funding from the FHWA Bridge Investment Program (BIP), USDOT Mega, and FTA Capital Investment Grants (CIG) New Starts
- ▶ **Existing Oregon and Washington State Funding** (\$198M committed)
- ▶ **Washington Funding Contribution** (\$1B committed)
- ▶ **Oregon Funding Contribution** (\$1B anticipated)
- ▶ **Toll Funding** (\$1.237B anticipated)
  - The Oregon and Washington Transportation Commissions have toll rate setting authority; tolling will be implemented through a bi-state process.
  - Toll revenue collected on the facility will be dedicated to the Interstate Bridge.

The funding assumptions in the Financial Plan will continue to evolve as the IBR program cost estimates are updated as the program moves further into design, and more information is known about anticipated and prospective funding.

## Tolling

Tolling for the IBR program is anticipated to include variable priced tolling with the goal of funding construction and facility operations and maintenance. Tolling is also anticipated to improve reliability and manage demand, encourage the use of other modes of travel and off-peak travel, and reduce optional trips.

The Washington and Oregon Transportation Commissions hold toll rate setting authority in each state. Work to inform the financial plan included toll scenarios for study ranging from \$1.50 to \$3.55 in year of toll start, depending on time of day. The toll scenarios in this analysis are used for study purposes only to inform financial planning, and do not represent final rates.

A low-income toll program will be considered in additional toll scenario analysis, with input from the Transportation Commissions. The commissions' adoption of toll rates is not anticipated to occur until shortly before tolling is estimated to begin on the facility. The soonest tolling would begin on the facility is in 2026.

## Economic Benefits

The IBR program will boost our economy by providing a multimodal transportation corridor that benefits all travelers, from local community members to long-haul truck drivers traveling on I-5 between Canada and Mexico. Improving the congestion and safety of the corridor alone will provide tangible economic benefits across the region through more reliable travel times, improved safety, and improved access to goods and services.

Additionally, the infusion of potentially billions of dollars in federal grant funds distributed through the construction of the IBR program has the potential to provide our region a once-in-a-generation economic opportunity. These funds are highly competitive, and if not spent in our region, they will go to other infrastructure projects in the country.

**Construction of the IBR program is projected to generate **\$11.6 billion** in total gross regional economic activity, nearly double the \$6 billion estimated cost to build the program.**

Tens of thousands of jobs across multiple industries will be generated during the construction period—benefiting workers, local businesses, and families.

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