



IBR Executive Steering Group Meeting

December 16, 2022

10:00 a.m. – 12:00 p.m.

www.interstatebridge.org

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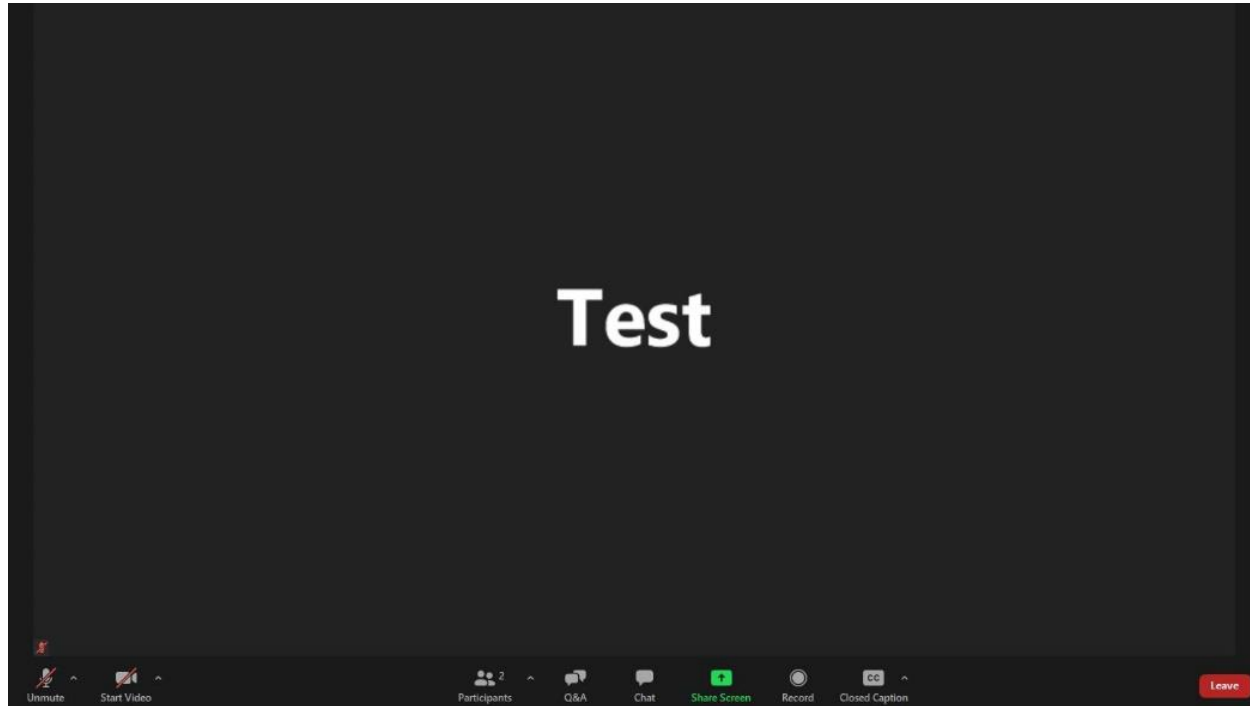
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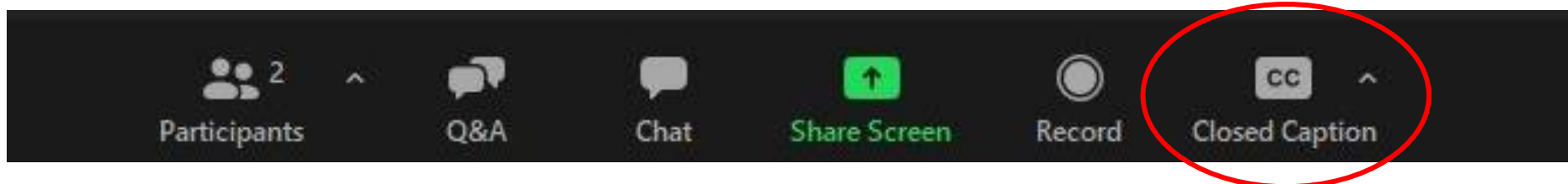
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Webinar Participation Tips

- ▶ We encourage panelists to turn on your video.
- ▶ Please keep your audio on mute when not speaking.
- ▶ Before speaking, please state your name and affiliation to help attendees identify who is talking.
- ▶ If you experience technical difficulties, please contact program staff at:
(360) 329-6744

Meeting Ground Rules

- ▶ Honor the agenda
- ▶ Listen to understand and ask questions to clarify
- ▶ Hard on the problems, soft on the people
- ▶ Address interests and seek common ground
- ▶ Provide a balance of speaking time



Meeting Agenda

Time	Topic
10:00 -10:15am	Welcome, Acknowledgements, Agenda Review, Partner Updates
10:15 -10:45 am	Interstate Bridge Replacement Cost Estimate
10:45 -11:15 am	Partner Conditions (Modified Locally Preferred Alternative)
11:15 -11:45 am	Program Administrator's Update
11:45 – 11:55 am	Public Comment
11:55 – 11:59 am	Closing Statements and Confirmation of Upcoming Meeting Dates/Topics, Next Steps and Summary
12:00 PM	Meeting Adjourned



Welcome & Acknowledgements

Introduction of Participating ESG Members

IBR Cost Estimate and Financial Plan Process

Frank Green, Assistant Program Administrator

Ray Mabey, Assistant Program Administrator

Brent Baker, Financial Structures Lead

IBR Program Estimate

- ▶ **A conceptual IBR cost estimate was developed in 2020 with the high end at \$4.8 B**
 - This estimate was intended to cover various bridge replacement options
 - The 2020 estimate was developed by applying inflation to previous CRC estimates and was based only on the scope of the CRC project
- ▶ **The 2022 IBR program cost estimate is based on the recently identified Modified Locally Preferred Alternative and includes estimates for the various project components in year of expenditure**
 - This estimate relies on the current scope, which has changed from the scope of the CRC project, and updated inflation assumptions

Process to Develop the IBR Cost Estimate

- ▶ **A Cost Estimate Validation Process (CEVP) was recently completed to provide independent review and validation of project cost and schedule estimates**
 - CEVP is an estimation process that analyzes project risks to quantify the impacts and possible mitigation strategies to better limit the impacts of costs and/or delays
- ▶ **The CEVP process identifies potential risks as well as opportunities. Examples include:**
 - Potential schedule delays and associated inflation
 - Availability of materials and labor
 - Continued uncertainty in market conditions
 - Securing federal funding
 - Tolling

Building Blocks of the Cost Estimate



Updated Cost Estimate

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



Updated Cost Estimate

What is included:

Modified Locally Preferred Alternative Components:

- ▶ Replacement bridge over the Columbia River
- ▶ Replacement of the North Portland Harbor Bridge
- ▶ 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

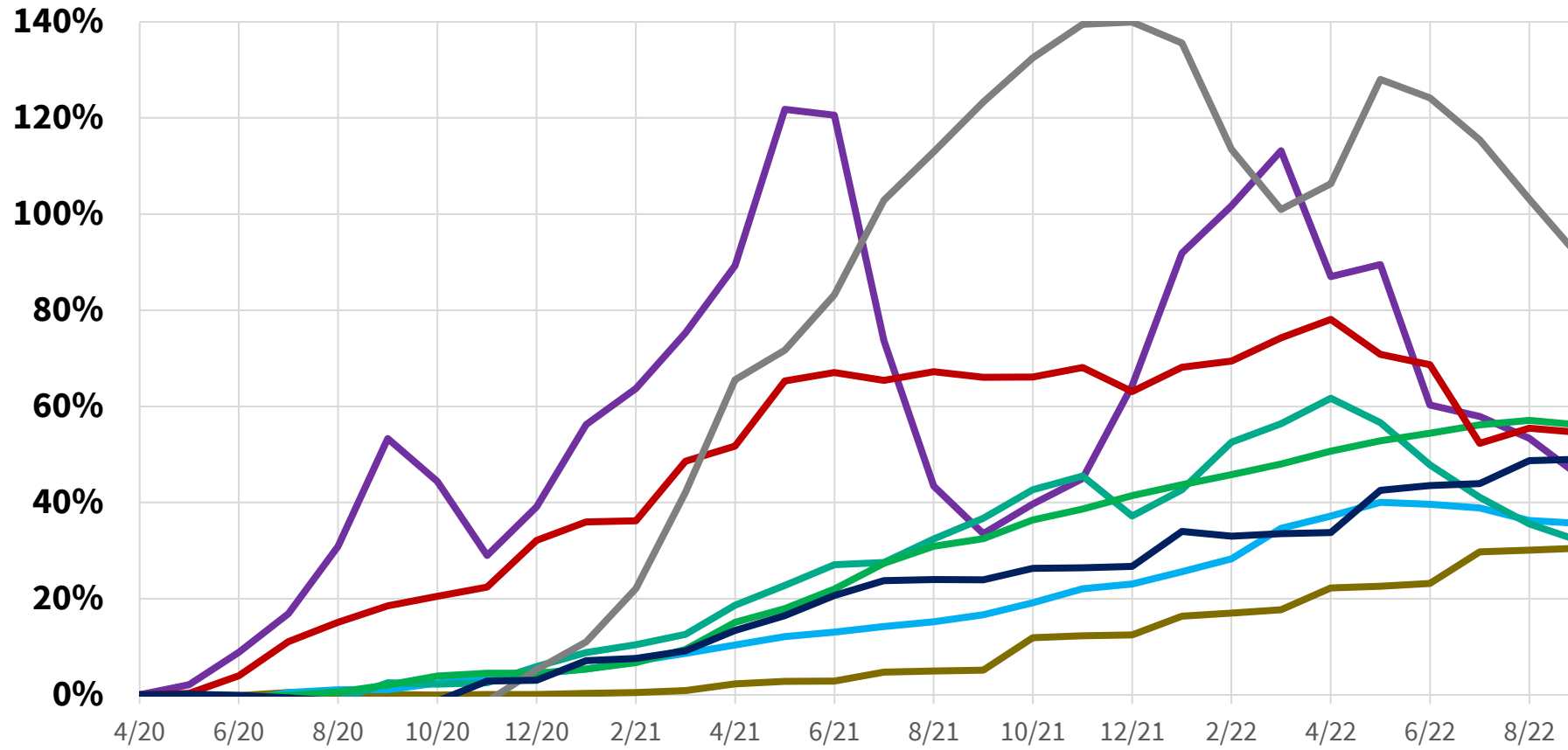
2022 CEVP Results

- ▶ **The base estimate range is from \$5 B - \$7.5 B**
 - The most likely cost is approximately \$6 billion.
 - This was calculated using CEVP to actively manage risks
- ▶ **Base Modified Locally Preferred Alternative scenario:**
 - One auxiliary lane in each direction
 - LRT – Direct Fixation Track (rather than embedded track)
 - LRT – At-Grade Evergreen Station

Why Did the Estimate Increase?

- ▶ Historically high inflation rates, workforce shortages, and potential competition among regional construction projects
- ▶ Materials costs increases and availability due to global supply chain issues, and other market conditions
- ▶ Changes in scope since the previous project:
 - North Portland Harbor Bridge replacement
 - Light rail traveling on an elevated structure adjacent to I-5 in Vancouver, rather than track along city streets
 - Connections and ramps for the partial interchange on Hayden Island

Construction Material Cost Trends



% Change: April 2020 - September 2022		
Steel Mill Products		91.3%
Plastic Construction Products		56.2%
Copper & Brass Mill Shapes		54.6%
Lumber and Plywood		45.6%
Gypsum Building Materials		49.0%
Aluminum Mill Shapes		32.1%
Truck Transportation		35.7%
'Bid Price' (new nonresidential building construction)		30.5%

Source: Bureau of Labor Statistics, producer price indexes, www.bls.gov/ppi

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Proposed Funding Sources

► Cost Estimate: \$5 B - \$7.5 B (Most likely \$6 B*)

*Assuming base scenario with actively mitigated risks

Source	Amount in Millions of Dollars
Existing State Funding	\$100 M
Connecting WA Funding—Mill Plain Interchange	\$98 M
Move Ahead WA Funding	\$1,000 M
Anticipated Oregon Funding	\$1,000 M
Toll Funding	\$1,250 – 1,600 M ¹
Federal Grants	\$860 – 1,600 M ²
FTA New Starts CIG Funding	\$900 – 1,100 M
Anticipated Total	\$5,208 – 6,498 M

¹ This range is consistent with CRC toll funding estimates. A Level 2 toll traffic and revenue study for IBR is underway and will be reviewed by both states. This range is a placeholder until spring 2023.

² Federal grant funding is unknown but being actively pursued. The top of this range is optimistic. The range will be refined as more information becomes available. Includes \$1M FHWA BIP grant already received.



Why Economic Impact Analysis (EIA)?

- ▶ EIA answers “What ‘bang for the buck’ do we get for investing in the I-5 IBR program?”
 - How will IBR construction affect our bi-state regional income?
 - How many jobs will IBR create?
 - What IBR aspects and funding sources have greater economic impacts?
- ▶ Assess “if not for project” **net economic impacts**
 - Estimate the minimum net impacts using portion of the project funding originating outside region that is uniquely tied to the IBR, i.e., anticipated discretionary federal funding
 - Represent the minimum impacts attributable to the project (local/regional funds spent on non-infrastructure investment may yield lower return and some tolls paid will originate from other states)



EIA Impacts

DIRECT IMPACT

IBR construction, which involves employing engineers, construction workers, and others involved in delivering the project.



IBR Construction

These purchases represent the *direct* economic impact of the IBR construction.

INDIRECT IMPACT

Construction contractors purchase raw materials and equipment, and hire transportation and logistics companies for deliveries. These input supplier and service firms employ additional workers who are paid wages and salaries.



Raw Materials and Equipment Suppliers

Delivery Service

These purchases are *indirect* economic impacts of the IBR construction.

TERTIARY IMPACT

Earnings from the construction workers as well as input supplier and delivery service workers are spent on consumer goods and services in the local economy, generating additional economic activity, jobs, and earnings across all economic sectors.



These purchases are *tertiary* economic impacts because they are the result of a ripple effect through the entire community.

IBR Draft Economic Impacts

▶ Total Economic Activity:

- Direct Project Expenditures (Project Cost): **\$6.0 B**
- Total Gross Economic Activity: **\$11.7 B**
- Minimum Net New Economic Activity: **\$3.8 B***

▶ Total Employment (person-year jobs):

- Direct Project Construction Employment: **18,900**
- Total Gross Employment: **43,700**
- Minimum Net New Employment: **14,400***

▶ As the IBR scope and cost estimates are refined, we will continue to update the EIA analysis



** Minimum net values capture the effects attributed to anticipated federal discretionary grants that without the IBR would not be received and expended locally*

Upcoming Work

- ▶ Continually update and refine project cost estimates and assess project budgets
- ▶ Program work to mitigate program risks and incorporate cost savings opportunities
 - The CEVP process identified high value places where the program will focus attention to minimize cost increase risks and maximize cost decrease opportunities. Examples:
 - *Some cost increase risks include:*
 - Completing NEPA and obtaining environmental approvals including NEPA and/or permits
 - Possible legal challenges of program environmental process
 - Delay in state matching funds
 - Scope changes
 - Unknown or uncertain conditions in the field during construction
 - *Some cost savings opportunities include:*
 - Value engineering
 - Design innovations
 - Project component design refinement

Next Steps

- ▶ **The IBR cost estimate sets the foundation for the full Financial Plan**
 - Financial Plan will include additional detail on estimated funding sources and finance approach, anticipated in early 2023
- ▶ **The program is currently working on the Level 2 Toll Traffic & Revenue Study which will provide more information**
- ▶ **Controlling costs for mega projects is a dynamic process**
 - As work progresses, the program will follow best practices to help identify and address cost escalation risks, opportunities, and other financial considerations
- ▶ **The program will continue to share updates on cost and financial planning matters with legislators, stakeholders, and the community as part of the effort to ensure fiscal transparency and accountability**

IBR Partner Conditions (Modified Locally Preferred Alternative)

Greg Johnson, Program Administrator

Grace Crunican, IBR Program Advisor

Partner Conditions

- ▶ **The Modified Locally Preferred Alternative was endorsed by all eight local partner agencies this summer**
 - As part of the endorsement process, the program received 175 conditions reflecting partner priorities and requests for additional work in the following topical categories:
 - *Auxiliary Lanes/Shoulders*
 - *Community and Partner Engagement*
 - *Design*
 - *Equity*
 - *Finance*
 - *Climate Measurements*
 - *NEPA Process*
 - *Traffic*
 - *Transit*
 - *Tolling*

Program Response to Partner Conditions

- ▶ **An initial response sent to each agency identifying how the following conditions are being incorporated into current program plans:**
 - Auxiliary lanes analysis, program financing, community engagement, high-quality aesthetic design, active transportation elements, freight access, workforce training programs
 - These responses are available on the IBR website
- ▶ **Remaining conditions are receiving more consideration to identify how they will be addressed**
 - Transit elements, GHG/VMT Analysis, tolling, highway shoulder design

IBR Program Administrator's Update

Greg Johnson, Program Administrator

Ray Mabey, Assistant Program Administrator

Recent Program Updates

- ▶ Additional analysis on auxiliary lanes included in SDEIS
- ▶ U.S. Coast Guard Bridge Permit Process
- ▶ [December 2022 Legislative Progress Report](#)

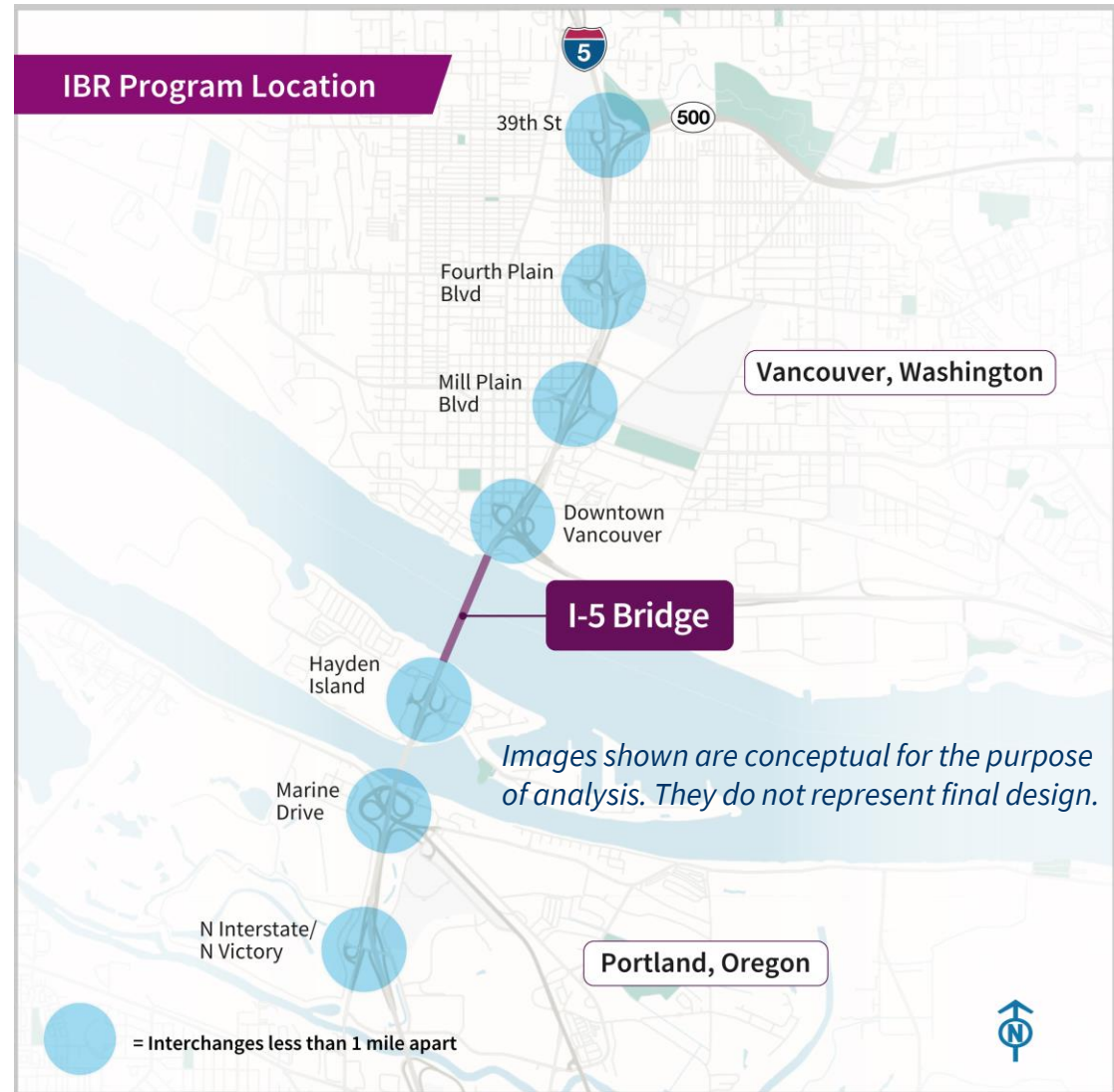
Next Steps: SDEIS Analysis

- ▶ **Two alternatives are being studied in SDEIS**
 - Updated No Build Alternative
 - Modified LPA
- ▶ **The design being studied is conceptual**
 - General alignments and locations of transportation facilities
- ▶ **SDEIS will study the impacts, benefits, and mitigation**
 - Mix of quantitative and qualitative analysis
 - Proposes measures to address unavoidable adverse impacts
- ▶ **Upcoming community engagement**
 - In person/virtual open houses, community briefings, and neighborhood outreach – first half of 2023
 - NEPA public comment and hearings on the SDEIS – late 2023

Ch 1	Purpose and Need
Ch 2	Description of Alternatives
Ch 3	Existing Conditions and Environmental Consequences
Ch 4	Financial Analysis
Ch 5	Revised Draft Section 4(f) Evaluation
Ch 6	Public Involvement and Tribal Consultation

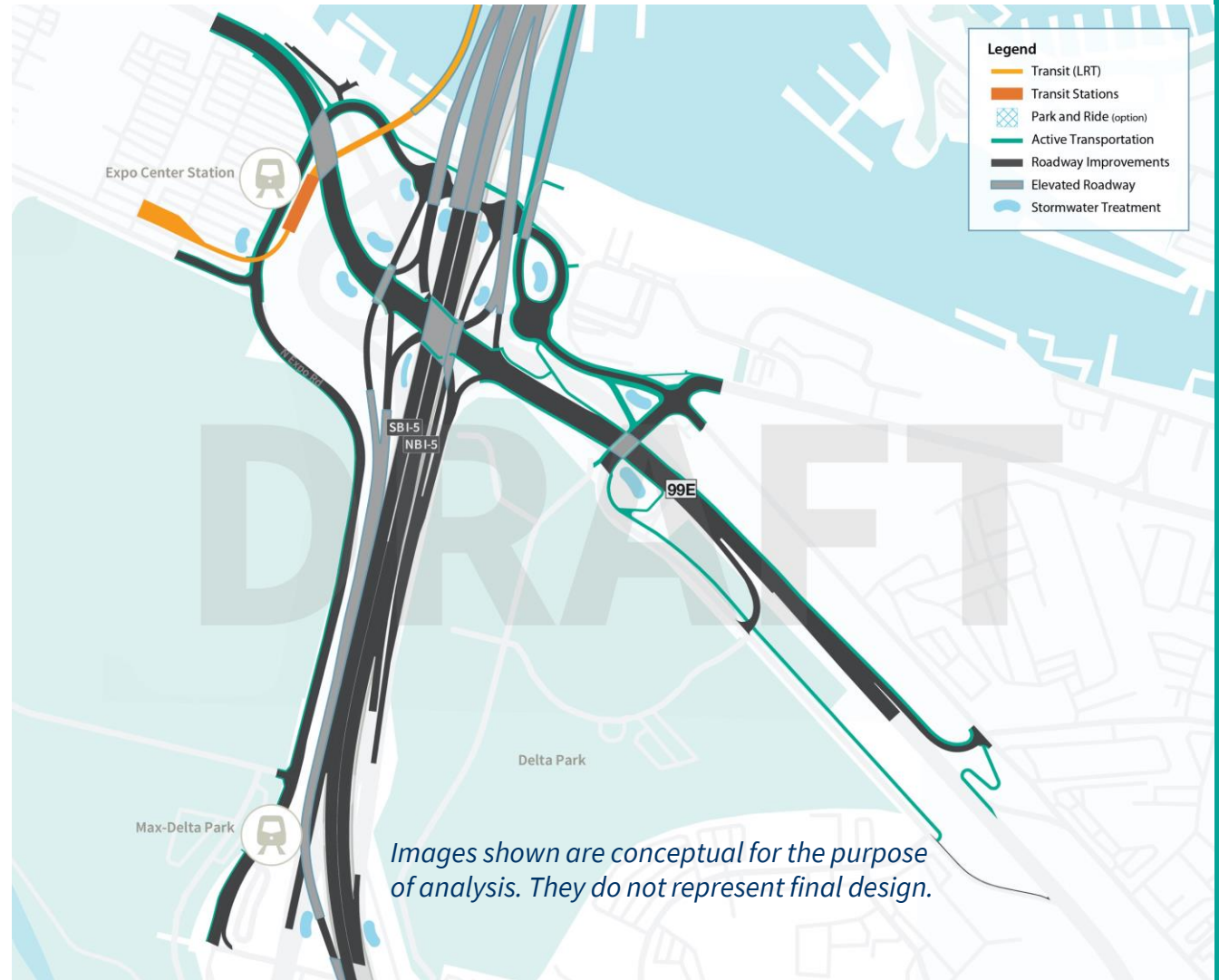
IBR Modified LPA Improvements in SDEIS

- ▶ Conceptual design
- ▶ Local street connections and ramp locations for seven interchanges
- ▶ Possible locations for a park and ride at the Vancouver Waterfront and Evergreen
- ▶ Station locations at Hayden Island, Vancouver Waterfront, and Evergreen
- ▶ Active transportation pathways



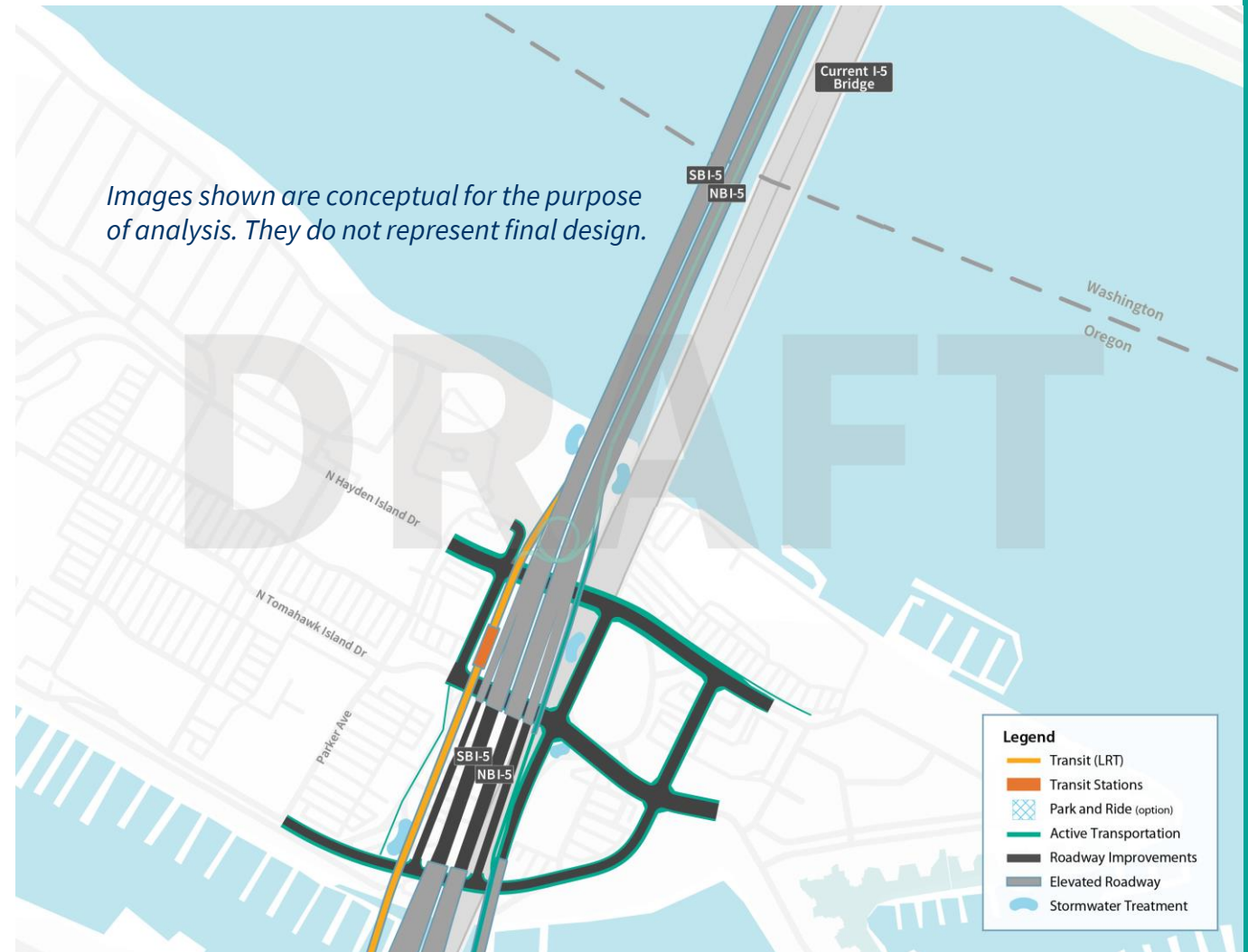
Improvements for Study: Marine Drive

- ▶ Marine Drive interchange configuration
- ▶ Shared use path connections between Hayden Island and North Portland
- ▶ Active transportation improvements in North Portland
- ▶ Local street connections and improvements



Improvements for Study: Hayden Island & River Crossing

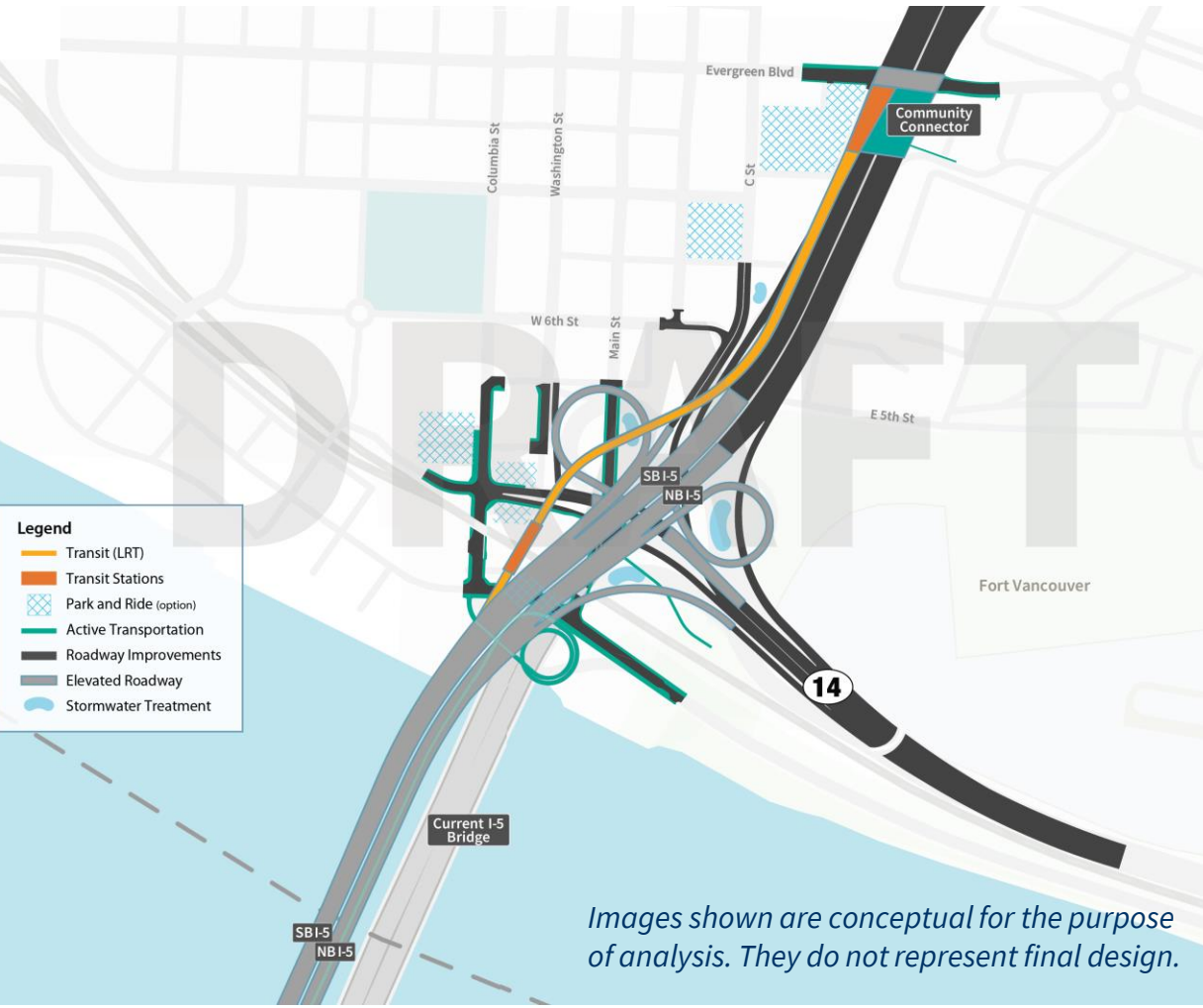
- ▶ **Hayden Island Interchange**
 - Partial interchange configuration
 - Active transportation
 - Light rail station
- ▶ **Arterial Bridge**
 - East of I-5
 - Local connection between Hayden Island and North Portland
- ▶ **River Crossing**
 - West of existing bridge
 - Aux lane(s) in each direction
 - Active transportation pathway on northbound bridge
 - Light rail on southbound bridge



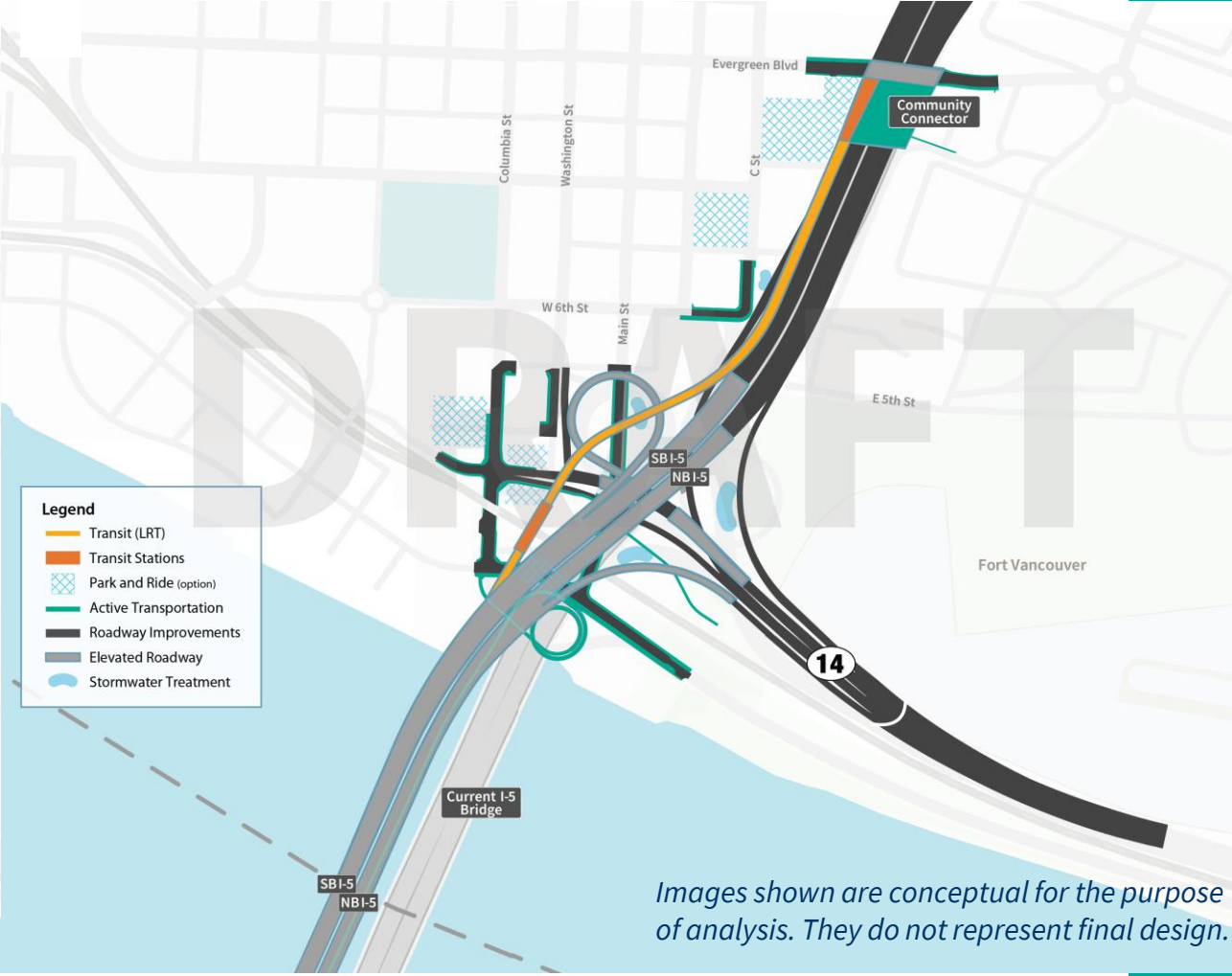
Improvements for Study: Downtown Vancouver

- ▶ **Two variations of roadway alignment**
 - A range of alignment options is being studied to better understand the possible impacts in the constrained area of downtown Vancouver
- ▶ **Light Rail Transit**
 - I-5 alignment
 - Terminus near Evergreen Blvd
- ▶ **Potential transit Park and Ride locations**
 - Park and Ride locations are being studied to understand the impacts and benefits of each location
 - A decision has not been reached on whether Park and Rides will be built in Vancouver and will include input from program partners and the community
- ▶ **Proposed community connector**
- ▶ **Active transportation connections and improvements**
- ▶ **Connections to SR-14 and downtown Vancouver**

Improvements for Study: Downtown Vancouver



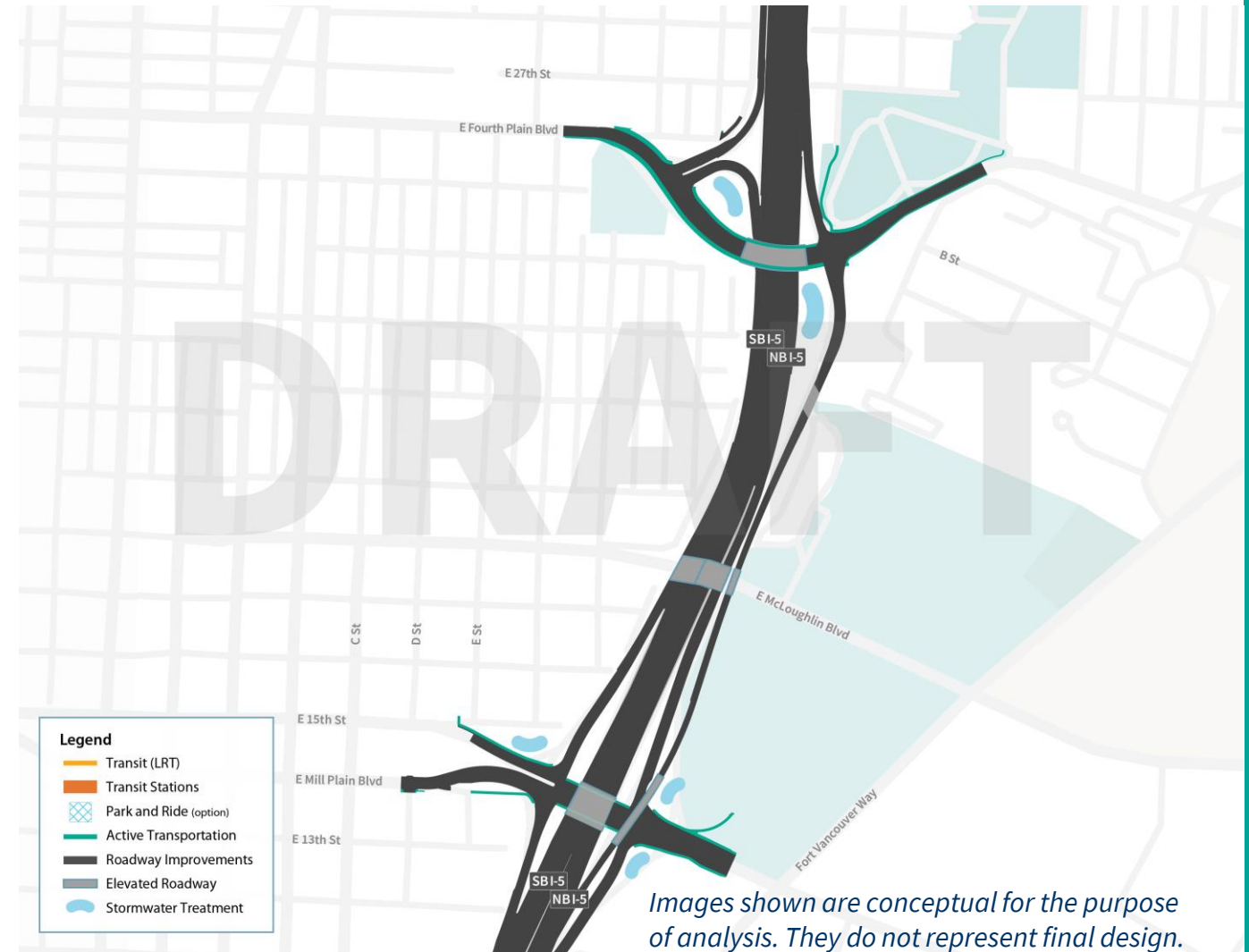
Images shown are conceptual for the purpose of analysis. They do not represent final design.



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Improvements for Study: Fourth Plain & Mill Plain

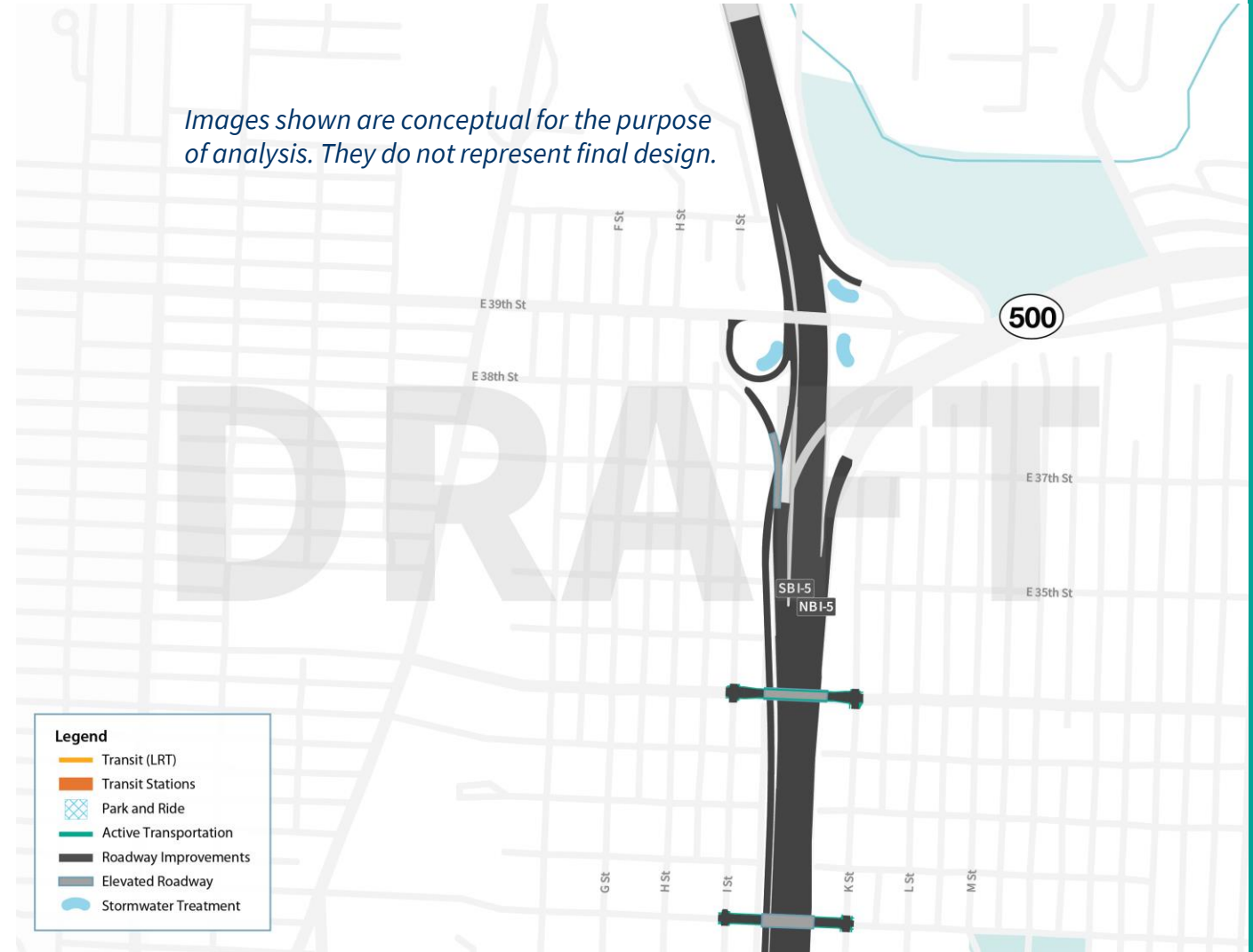
- ▶ Interchange improvements to Fourth Plain and Mill Plain
- ▶ Interchange to interchange connections
- ▶ Active transportation improvements



Images shown are conceptual for the purpose of analysis. They do not represent final design.

Improvements for Study: North Vancouver

- ▶ Interchange to interchange connections
- ▶ Active transportation improvements





Questions or Feedback?



Opportunity for Public Input

Public Input Instructions

- ▶ There will be an opportunity to provide brief public input in the meeting today.
- ▶ To submit input after the meeting:
 - Email comments to info@interstatebridge.org with “ESG Public Comment” in the subject line
 - Call 888-503-6735 and state “ESG Public Comment” in your message



Comment Instructions

To make a verbal comment:

- ▶ If you have joined by Zoom, click “Raise Hand.”
- ▶ If you have joined by phone, press *9 to raise your hand.
- ▶ The facilitator will call on participants. You will receive an “unmute” request. Please accept it. If you are commenting by phone dial *6 to unmute.
- ▶ Please provide your name and affiliation.
- ▶ Attendees will be allocated up to 2 minutes for public comment depending on the number of commenters up to a total of 10 minutes.



If we run out of time and you have not had a chance to speak, you can still provide comments after the meeting.

Comment Instructions

To submit comment after the meeting:

- ▶ Fill out comment form on program website or email comments to info@interstatebridge.org with “ESG Public Comment” in the subject line.
- ▶ Call 888-503-6735 and state "ESG Public Comment" in your message.
- ▶ All written comments must be received prior to 48 hours in advance of each upcoming meeting in order to be distributed to ESG members. Comments received after that point will be distributed to members in advance of their next meeting. All comments are posted on the IBR website.



Confirm Upcoming Meeting Dates/Topics, Next Steps and Summary



Thank You!