

EXECUTIVE STEERING GROUP (ESG) MEETING

HIGH-LEVEL MEETING SUMMARY

December 16, 2022 10:00 a.m. to 12:00 p.m.

ESG Members in Attendance: Director Kris Strickler (ODOT), Secretary Roger Millar (WSDOT), President Lynn Peterson (Metro), Commissioner Jo Ann Hardesty (City of Portland), Mayor Anne McEnerny-Ogle (City of Vancouver), State Affairs Manager Ivo Trummer (Port of Portland)(alternate), Commissioner Jack Burkman (Port of Vancouver)(alternate), General Manager Sam Desue (TriMet), Executive Director Matt Ransom (RTC), CEO Shawn Donaghy (C-TRAN), CAG Co-Chair Lynn Valenter.

ESG Members not in Attendance: Executive Director Curtis Robinhold (Port of Portland), CEO Julianna Marler (Port of Vancouver), CAG Co-Chair Ed Washington

IBR Program Staff in Attendance: Greg Johnson (Program Administrator), Ray Mabey (Assistant Program Administrator), Frank Green (Assistant Program Administrator), Millicent Williams (Lead Facilitator), Brent Baker, Financial Structures Lead.

WELCOME, INTRODUCTION, PROPOSED AGENDA AND UPDATES

Millicent Williams, Lead Facilitator, opened the meeting by reviewing the meeting ground rules and asked that the partners and/or their alternates introduce themselves and provide updates on what is going on within their jurisdictions. Many partners noted their interest and support in the Community Benefits Agreements and how they would like to see this effort moving forward in the new year. The partners took this opportunity to thank Commissioner Hardesty for all service on this team.

INTERSTATE BRIDGE REPLACEMENT COST ESTIMATE

Administrator Greg Johnson introduced this portion of the agenda and turned it over to Frank Green and Ray Mabey, Assistant Program Administrators, and Brent Baker, Financial Structures Lead. Mr. Green began by reviewing program progress leading up to today's estimate and discuss what had changed since the initial version was developed in late 2020. He noted this estimate was structured similarly to the estimate from previous program but now reflects the modified Locally Preferred Alternative (LPA)(slide 9).

Assistant Program Administrator Frank Green provided an overview of the process that was used to develop the estimate (slide 10). He explained the Cost Estimate Validation Process (CEVP) and how it identifies risks and opportunities as the design is further refined.

The next slide (slide 11) outlined the building blocks of the cost estimate: Base cost (modified LPA components), range of identified project-specific risks, and the year of expenditure.

Slide 12 presented the CEVP results which currently show the base cost in the range of \$5B-\$7.5B. Assistant Program Administrator Frank Green noted that, based on the Conceptual Finance Plan with the previous program, which also included light rail, had an estimate of \$4.8B.

He then explained that this cost risk assessment approach not only looks at identifying risks, but also the probability or magnitude that some of those risks may have. He stated that with the help of the ESG partners, the program can come up with strategies to avoid and mitigate many if not all the identified risks, putting the program at the lower end of this range. Costs will approach the upper end of this range when identified risks impact schedule and are not able to be mitigated. This can be resolved using a risk management strategy to come up with the best solutions. Right now, the most likely program cost is \$6B with constructing the modified LPA.

Assistant Program Administrator Frank Green noted that as the program is moving forward with responding to the partners' conditions by studying a few other design options outside of the modified LPA. The team is running these scenarios through the CEVP to get a better understanding of cost impacts. Some options include an additional auxiliary lane in each direction, direct fixation track vs embedded track (which could accommodate future use for EMS vehicles or buses), and a revised terminus at the Evergreen Station.

Slide 13 explained the estimate increased from the early 2020 conceptual finance plan to the numbers we are seeing today. Three categories were highlighted: historically high inflation rates, material costs and availability, competition with regional projects constraining the workforce, and changes in scope to reflect the enhanced design.

Commissioner Hardesty challenged some of the assumptions regarding the interchanges that were presented on Slide 13 as to why the estimate has been increased, given the reduced footprint of the interchange. Assistant Program Administrator Frank Green responded by stating that in order for the smaller interchange to function operationally, a braided ramp on an elevated structure is needed to connect Marine Drive and Victory Boulevard. Assistant Program Administrator Ray Mabey concluded that the program is looking at a breakdown of costs by the different elements which could help clarify some of the changes in cost within the project.

Slide 14 presented a graphic showing the construction material cost trends from April 2020 to September 2022, showing significant volatility. The program is trying to identify what material costs might do as they get closer to construction as well as their availability. He noted that one item that is not taken into account on this graphic is the price of oil, but it is accounted for in the latest program cost estimate.

Brent Baker, Financial Structures Lead, provided an overview of the proposed funding sources (slide 15). He noted the funds that have already been secured and then walked through the different Federal Grants available to the program. At this time the program has applied for the FHWA Bridge Investment Program Grant, a \$750M Large Bridge Grant. In 2023, the program will apply to the Mega Grant Program (aka, the National Infrastructure Project Assistance program) with an ask of \$750M. The program will approach a few other federal discretionary grants to complete the financial planning horizon of \$1.6B in federal grant support.

He then noted the FTA New Starts funding that is specific to transit which will be in the range of \$900M-\$1.1B. The net toll revenue is expected to contribute \$1.25B-1.6B. Currently, there is a level two total traffic revenue study in process by the treasurer's office in both Washington and Oregon to give the program a firmer handle of the financial capacity of the toll funding. Mr. Baker noted that the toll funding amount shown is from CRC documents and is more of a place holder until the in-process analysis has been completed. The program is working hard at maximizing the federal contribution using today's unprecedented federal funding opportunities.

Brent Baker moved onto slide 16 where he shared the reason for having an Economic Impact Analysis Report which the program recently finished its preliminary review. He did note that this does differ from an Economic Benefit Cost Analysis. Economic Impact Analysis is focused on how the construction expenditures ripple through the local economy. An Economic Benefit Cost Analysis focuses on the individual and societal benefits generated by the project, relative to no project. The Economic Benefit Cost Analysis will be updated and used in the 2023 grant application process.

Slide 17 shows the process of how construction economic impacts are generated by the IBR project, outlining direct impacts such as workers hired; indirect impacts such as raw materials; and tertiary impacts such as increases in consumer goods and services in the local economy. Slide 18 provides a brief summary of the IBR Draft Economic Impacts which results in approximately \$11.7B in economic impacts and 43,700 person-year jobs.

Commissioner Hardesty asked if the toll revenue will stop when the \$1.6B is collected. Brent Baker explained that the toll funding contribution shown is a range and it is assumed capital funding that would be brought from financing against future net toll revenues over a period of decades. This is what the program can borrow up front combined with some of the revenues that would be collected from pre-completion tolling of the existing bridge. Mr. Baker added that the traffic on the I-5 Bridge has shown good recovery from the pandemic and is almost back to pre-pandemic usage.

Commissioner Hardesty asked when the program will know what the exemptions will be for tolling, and how that be informing the analysis for the overall tolling revenue projections. Assistant Administrator Ray Mabey responded that ODOT is looking at low income and other potential exemptions and discounts ODOT toll program. It was added that since this is a bi-state project both commissions will need to agree on pricing. The program is hoping to look deeper into this next year and looking for toll authorization from Washington legislature to their Commission which will allow an active conversation to happen.

Executive Director Matt Ransom provided some feedback to the program. He noted that an interim estimate came in at \$4.8B, emphasizing that the more time we spend, the more the project will cost. Mr. Ransom also encouraged the program to continue to be aggressive in its pursuit of Federal grants.

Greg Johnson (Program Administrator) responded to observations presented. He stated that as the program moves forward with the cost estimating and assessing risks, the goal is to keep this project moving forward and maintain the schedule to reduce the overall project costs. He added that the program is also making sure

that they are not skipping or missing any steps. Administrator Johnson agrees with Executive Director Ransom's points including being very aggressive with the funding.

President Lynn Peterson echoed previous statements made and added that we need to get the Oregon match of funds in place as quickly as possible to allow for the program to be aggressive moving forward. This will show Oregon's commitment when going for federal funding.

Assistant Program Administrator Ray Mabey finished the presentation on the cost estimate by reviewing the upcoming work for the program and next steps (slide 19-20). President Lynn Peterson asked if they could get additional information on what a funding delay from the Oregon side will do to the cost of the project. She also asked that the program specifically call out value engineering and practical design. She added that sometimes value engineering is seen as the process of eliminating design elements when it is actually looking at things like different materials, eliminating a wall and using the natural slope, etc.

Mayor Anne McEnery-Ogle followed with appreciation to President Peterson's comments and stressed that the program needs to keep in the pieces of the project that are important to the partners and the community members and that these are reflected in the cost estimate moving forward. Commissioner Hardesty added the importance of building community support for this project.

PARTNER CONDITIONS (MODIFIED LOCALLY PREFERRED ALTERNATIVE)

Administrator Greg Johnson provided an update on the partner conditions. The program received over 175 partner conditions. Grace Crunican and Katy Belokony from the program have been leading the response efforts and creating work plans. At this time two thirds of the conditions have been addressed and have been posted to the program website. For the remaining third, the program is working with the partner agencies to determine how they can integrate them into the supplemental DEIS or other future processes. Commissioner Hardesty noted that many of the City of Portland conditions came from community engagement and processes aimed at achieving policy and community objectives. She reiterated that Portland remains committed to the success of this project.

Administrator Johnson noted the issue of auxiliary lanes within the NEPA process. After many discussions with NEPA experts not only within the program but also nationwide, the program team will expand the study to include impacts of both one and two auxiliary lanes, instead of reviewing the impacts of only one auxiliary lane. This work will occur now to avoid being required to conduct another supplemental environmental impact study. This will not only affect the schedule but also the cost. The program has chosen to incorporate the study of two auxiliary lanes, simply to understand the impacts. President Lynn Peterson commented that while she understands this is part of the risk analysis, she hopes the political pressures are understood as well. She noted that there is a balance between what can be built and what the region wishes to be built.

Administrator Greg Johnson informed the ESG if the study of an additional auxiliary lane is delayed, the potential request for another SEIS would add six to nine months of additional time to the project schedule. Commissioner Jack Burkman stated the Port did request the study of both the one- and two-lane auxiliary

lane options and that they are not in a position to say it is all or nothing; there is a possibility of having a second auxiliary lane in segments. Secretary Roger Millar is interested in doing this study to inform the overall decision and be aware that we cannot solve all the regions' problems within the footprint of this project. He reminded the ESG that it is not the DOTs who put the traffic on the bridge, it is the land use decisions on either side of the river. He supports the efforts in doing the extra analysis now.

PROGRAM ADMINISTRATOR UPDATES

Greg Johnson (Program Administrator) provided an update on the Community Benefits and stated the program team led by Jonell Bell have been working on the framework and working out a plan on how to staff the community benefits discussion to ensure the right people are at the table and that the different voices are heard. The program is working with the civil rights teams at both ODOT and WSDOT to get guidance. Once these have been drafted, they will be presented to the ESG for confirmation.

The program is aiming to make the Community Benefits a subcommittee to the ESG. The program intends to begin this process and send out the invites in January so that in late winter/early spring they can have a kickoff for the discussion. The program is also looking at Community Benefits within large projects across the nation to get a better understanding of successful outcomes.

Executive Director Matt Ransom added that this is really about the investment in people. He did ask if the Community Benefits Agreement was different than the Community Workforce agreement. Administrator Johnson stated that the program is separating the Community Benefits Agreement from the Community Workforce Agreement, but the program does understand the crossover discussions. Both DOTs are working on formats for Community Workforce Agreements that will look at how to approach labor in mega projects. The timeline for this effort will begin in Spring 2023.

President Lynn Peterson anticipated that the program would have seeded and began the meeting with a Community Benefits Agreement Committee by now, but wanted to know the timeframe as to when it will get going. Administrator Johnson responded that the program will have an approved framework in January and then will immediately begin reaching out ESG members to ensure this is what they want to move forward with and begin recruiting for members. The program is anticipating the first meeting will occur sometime in March 2023.

Before moving onto the public comment period, Assistant Program Administrator Ray Mabey provided a brief update on the program permitting. The program is still making progress with the Coast Guard for the bridge clearance. They recently met and received feedback on river crossing options that had been updated from the previous program which also included a movable span report to understand the potential costs and impacts. The Coast Guard's first response to the Navigation Impact Report identified some users that could potentially be impacted by the bridge height of 116 feet. The program has engaged with these users and is working on ways to come to agreement to achieve the permit with the Coast Guard.

PUBLIC COMMENT PERIOD

[1:46:24] Chris Smith, representing the Just Crossing Alliance as a reminder the Just Crossing Alliance is comprised of 32 environmental climate equity and environmental justice organizations that are looking for the most sustainable and equitable outcomes from this project. Two quick notes/questions today, Secretary Millar referenced the traffic generated by the difference in the tax policies between the two states and the tax-free shopping that happens on Hayden Island. I hope that any analysis of the auxiliary lanes or other demand factors will look at the reduction in that demand one that trip involves tolls. We believe that some of the shopping traffic will go away, and we'd love to understand what the size of impact is. The other point I'd like to make is about the embedded track question. I've served for almost two decades on the board on the Portland Streetcar and have lots of experience with embedding track in Portland streets and a key value of the alliance is that we would be prepared to support much more intense use of transit in the future. I don't think we can predict today how that transit will be configured so by using embedded track you can make sure that the transit way is available and accessible to buses. We think value engineering that feature out would be a very poor choice at this point. Thank you very much.

[1:48:33] CREDC Clark County. Good afternoon, everyone, this is Jennifer Baker with the Columbia River Economic Development Council. Happy to be here today and to be receiving some of the program updates from the IBR. Firstly, I wanted to reaffirm the business communities' spirit and support for this bridge replacement. Over the last ten days we've hosted collectively two events. One was a Bi-state Business Partnership event that we co-hosted with the Portland Business Alliance where we had over 110 representatives of the business community all coming out to support the bridge replacement project and likewise in alignment with our southwest Washington partners in business association work the greater Vancouver Chamber, CREDC and identity Clark County all co-hosted a policy breakfast and legislative affairs breakfast just a week ago and the number one infrastructure priority remains the replacement of the interstate bridge.

In our economic development work, I heard mention today of the federal grant opportunities, certainly from a business development standpoint, we are seeing those opportunities at levels never before and I am really encouraged to hear so much of the commentary from the executive steering group today on being focused in the timing and our aggressiveness towards pursuing those federal funds. If there are ways that our business community can continue to support, we will seek to do that. Thank you very much.

[1:50:23] I'm Bob Ortblatt, a Washington resident. I hold a master's in civil engineering from the University of Washington and for 40 years I was a professional civil engineer. Please study my many written comments that I've submitted with simple graphics, and they are very understandable. If built, the LPA will be the most dangerous bridge in the country due to its steep four percent grade. Again, the steepest in the country with curves and severe weather and icy conditions which are famous in Portland. Today I heard an aggressive grab for federal dollars for a bad project. Last Monday, Hayden Island community sponsored an event where the IBR presented its LPA and I presented a immersed alternative. There was little support for a bridge and great support for a immersed tunnel alternative. I suggest you read the Columbia's reporting on this meeting. The

LPA is referred to as a locally preferred alternative; I think it's only preferred by the bureaucracy not by most citizens. Thank you very much.

[1:51:26] Sean Philbrook. Members of the ESG, Sean Philbrook, Vice President of the programs for the business leaders group identify Clark County. I'm here today to provide some additional context to the Clark County Transportation Alliance policy statement which Matt Ransom mentioned earlier. This is a 20-year-old effort bringing together disparate priorities into one unified agenda, advocating for local transportation and infrastructure investments. We'll provide the document after the meeting via email to the program team as was recommended. This year I am pleased to share that we have more than 60 groups endorsing that effort including cities, ports, freight, transit, labor, health care, education, and many other groups by supporting this effort each of these organizations is declaring with a loud voice that replacement of the I-5 bridge is the number one transportation need in our region and while the alliance specifically advocates for projects in southwest Washington, we have an increasing number of endorsing groups from Oregon. These groups recognize that our transportation does not stop at state lines, and neither should our partnerships. We need both side of the river to be fully funded and functional.

Speaking of funding, we understand that the recent bridge replacement cost estimate is higher than some expected. However, it was noted during this meeting today that the bridge will never get cheaper. That is why we are supportive of the project team moving swiftly and advancing their efforts and ensuring timely delivery of this critical project. We are also delighted to hear that the project team is studying additional auxiliary lane scenarios. We need greater capacity whatever that might look like, especially for our high, wide, and heavy freight to reach its intended destinations like lengthy wind turbine blades delivered through the Port of Vancouver and trucked up the Gorge to generate renewable energy for our residents and employers. As we wrap up another year, we thank each of you for your hard work in this group and on the project and look forward to 2023. Another step closer to a safe, seismically resilient, and reliable I-5 bridge. Thank you.

[1:53:47] Good evening council members, John Ley, Clark County. I am amazed that after three years in expenditure of tens of millions of dollars we still only have a conceptual design and we have failed to resolve the one problem people want fixed; that is reducing traffic congestion and saving time. We are now talking about spending five to seven and a half billion dollars and travel times will double for the morning southbound commute. After spending the expenditure of five to seven and half billion dollars, fully fifty percent of rush hour traffic will be stuck going zero to twenty miles per hour. What an absolute waste. No business is going to bring their business here to the Portland metro area when they understand half of rush hour traffic is going to be stuck going zero to twenty miles per hour, what a sad waste. Finally, there is no need for high-capacity mass transit.

Roger Millar's WSDOT's mobility dashboard recently revealed the truth on I-5, 0.4 tenths of one percent, a rounding error, of all people and traffic on the Interstate 5 bridge are on buses. Less than a thousand people a day have any desire to use transit across the river. C-Tran's own next five-year study says they only expect traffic on their mass transit system to recover to 75% of pre-pandemic levels. Tri-Met similarly says at best, transit ridership will recover by 2027. There is no demand, we can build this now for vehicles and freight and later on, when there is demand, we can add transit later.

CLOSING STATEMENTS OF CONFIRMATION OF UPCOMING MEETING DATES/TOPICS, NEXT STEPS AND SUMMARY

Lead Facilitator Millicent Williams thanked everyone for their time and noted that the ESG members had provided items for the IBR program to follow up for the next meeting. She also noted that the program is looking for a meeting time in March for the next ESG meeting. Program Administrator Greg Johnson closed the meeting by confirming that the program will continue to develop the cost estimate as more information becomes available and provide the requested breakdown of the key elements. He noted that the key takeaway right now is that time is money. He wants to ensure that the program will stay on schedule.

The meeting adjourned at 11:58 am.

MEETING RECORD AND MATERIALS

Meeting Recording

A recording of the meeting is available here:

<https://www.youtube.com/watch?v=U9v9RTJ9JZU>

The meeting materials are available here:

<https://www.interstatebridge.org/get-involved-folder/calendar/esg-december-16-2022-meeting/>