SELLWOOD BRIDGE Project
MULTNOMAH COUNTY

Finance and Revenue Analysis

PRESENTED BY

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Overview

- Financial Plan
- Current funding
- Local funding options
- Tolling as an option
- Implementation
- Summary

Financial Plan

- Required for federally funded projects based on project cost of $100-500 Million
- Must include
  - Cost estimate
  - Implementation plan
  - Financing and revenues
  - Cash flow
  - Risk analysis and mitigation

Current Funding

- $5.4 M for land
- $11.9 M for design
- $7 M additional Federal funds

- $24.3 M total

- Sellwood project costs ($2012) range from $260 to $449 million (inclusive of right of way, operations and maintenance)

Current Funding

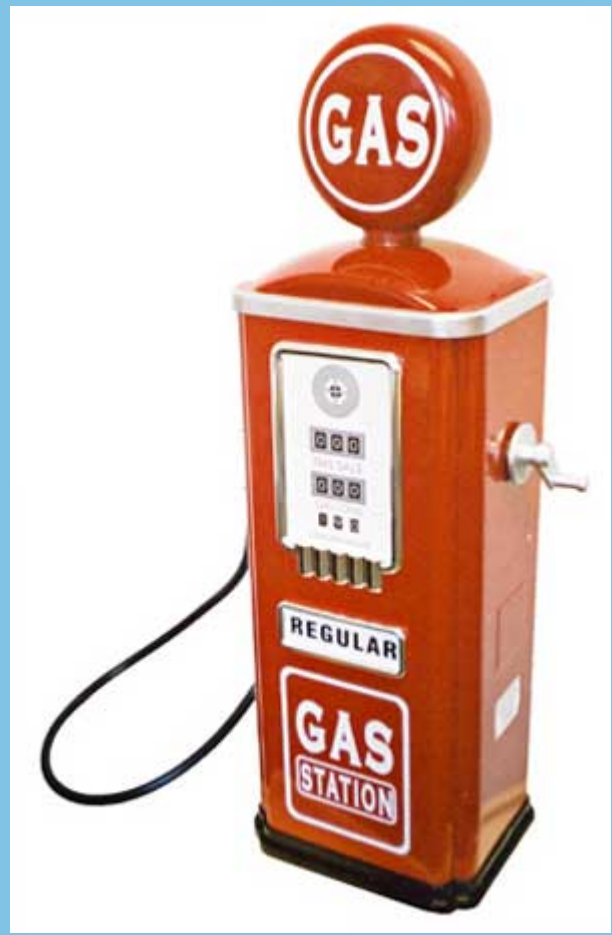
- Regional Transportation Plan (RTP) includes Sellwood project but does not identify specific funds
- Federal Highway & Bridge Replacement Program (HBRR) funds are committed
- State Highway Bridge Program needs are double current funding levels
- Current City and County sources are unlikely to support more than a fraction of project cost

Local Funding Options

- Fuel tax surcharge
- Vehicle registration fee increase
- Transportation utility fee
- Property tax levy

Fuel Tax Surcharge

- Assessed “at the pump” in addition to State and Federal taxes
- Local fuel taxes in Oregon range between $0.01 and $0.05 per gallon



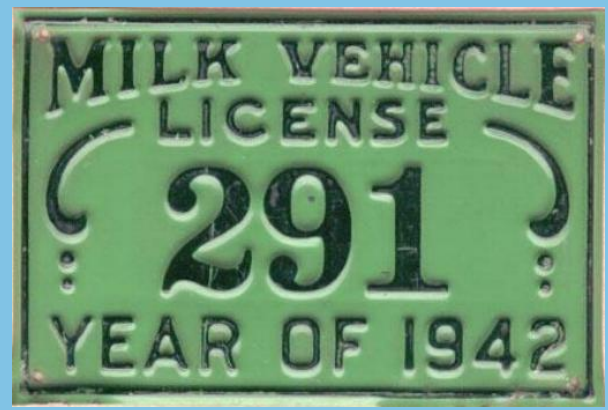
Fuel Tax Surcharge

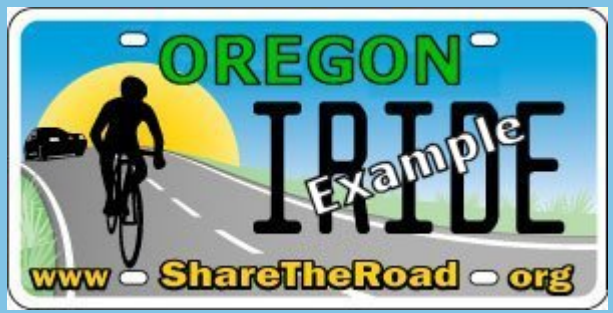
- Fuel tax rates and revenues (2005), Multnomah and Washington Counties

Jurisdiction	Tax Rate per Gallon	Tax Revenue	Revenue per Capita per Penny Tax
Multnomah County	$0.03	$6,744,233	$3.24
Washington County	$0.01	$834,500	$1.70

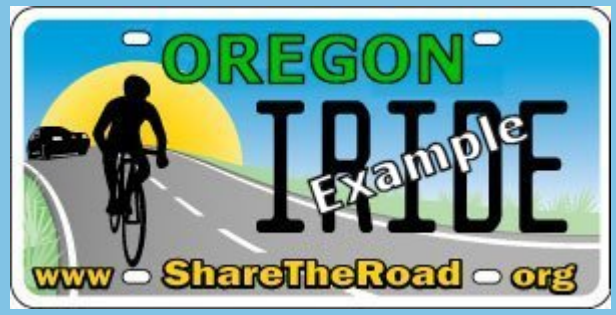
Vehicle Registration Fee

- Levied biennially





Vehicle Registration Fee

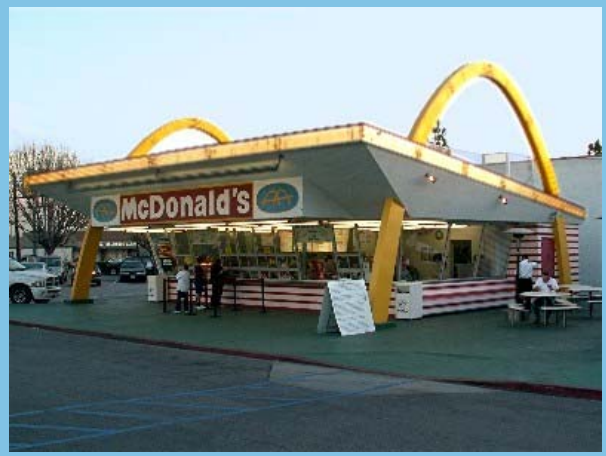


- Levied biennially
- Estimated annual revenue from an $11 surcharge collected every two years:

County	Registered Vehicles, 2005	Surcharge	Annual Revenue
Clackamas	395,966	$11	$2,177,813
Multnomah	705,752	$11	$3,881,636
Washington	439,573	$11	$2,417,651
Total	**1,541,291**		**$8,477,100**

Transportation Utility Fee (TUF)

- Monthly charge assessed on properties based on average number of trips generated by type of land use



- Usually reserved for maintenance and preservation projects; can free up funds for capital projects

Transportation Utility Fee (TUF)

- Oregon Transportation Utility Fees (2005)

City	Annual Revenue	Population	Revenue per Capita
Medford	$4,647,886	70,855	$66
Lake Oswego	959,112	36,075	27
Ashland	933,641	20,880	45
Tualatin	662,928	25,465	26
Grants Pass	651,649	26,085	25
Wilsonville	548,668	16,510	33
Corvallis	174,277	53,165	3
Brookings	110,625	6,185	18
Talent	72,866	6,255	12
Average			**$28**

Property Tax Levy

- Levied by a city or county
- Authorized by popular vote
- Rates are dollars per thousand of assessed value

Local Funding Options

- Local revenues would support annual debt service on a bond issue
- Rate, by source, needed to support $100 Million in Sellwood Bridge project costs

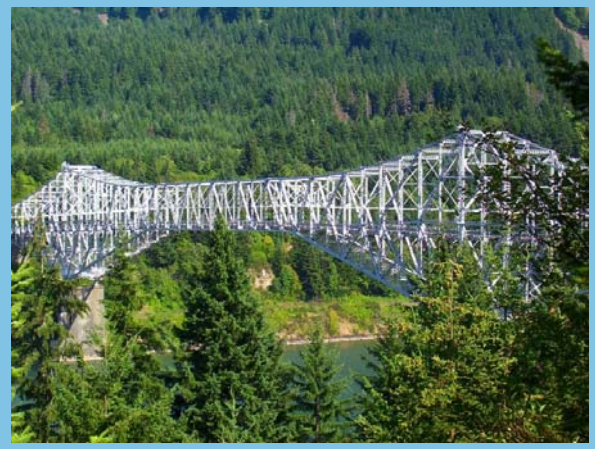
Funding Source	Multnomah County	Multnomah, Clackamas, and Washington Counties
Fuel tax surcharge (cents per gallon)	3.4	1.9
Vehicle registration surcharge ($ per vehicle per year)	11.00	5.00
Transportation utility fee ($ per person)	11.50	5.00
Property tax local option levy ($ per $1,000 of assessed value)	0.17	0.07

Local Funding Options

- Local revenues would support annual debt service on a bond issue
- Rate, by source, needed to support $350 Million in Sellwood Bridge project costs:

Funding Source	Multnomah County	Multnomah, Clackamas, and Washington Counties
Fuel tax surcharge (cents per gallon)	12.0	6.6
Vehicle registration surcharge ($ per vehicle per year)	38.00	17.00
Transportation utility fee ($ per person)	40.00	17.50
Property tax local option levy ($ per $1,000 of assessed value)	0.58	0.24

Tolls



- Tolls are a user fee
- Tolls are used on other Oregon bridges (Hood River, Cascade Locks) and on the new Tacoma Narrows Bridge (WA)
- Tolls can be used to finance construction and/or manage travel demand

Tolls

- Revenue estimates are based on “willingness to pay”
- “Willingness to pay” depends on user’s value of time
- User considers cost (time, money) in comparison to other routes, modes or times of day

Tolls

- Range of revenue estimates
- Our conclusions based on many assumptions
  - vehicle diversion
  - volumes
  - collection costs
  - factoring trips from “peak period” to annual
  - value of time “off peak”
  - income growth over time

Tolls on the Sellwood Bridge only

- As a toll increases, demand decreases
- A toll of $1.70 each way maximizes revenue
- That toll would finance $35 to $105 million in project capital cost

Tolls on the Sellwood Bridge only

- At a toll of $1.70 each way, peak afternoon traffic on the bridge would decrease by 50%
- Most of those motorists will choose other routes; one-third will choose another mode or choose not to make the trip
- Collection costs would be substantial unless part of a larger system

Tolls on all non-Interstate bridges

- Non-Interstate bridges include Sellwood, Broadway, Burnside, Hawthorne, Morrison, Ross Island, St. Johns and Steel
- A toll of $2.00 each way maximizes revenue
- That toll would finance $300 to $900 million

Tolls on all non-Interstate bridges

- At a toll of $2.00 each way on all bridges, peak afternoon traffic on the Sellwood bridge would decrease by 30%
- Interstate bridge volumes would increase by 30%

Implementation

- Bonds are a method of financing, not a revenue source.
- Public-Private partnerships may
  - Access private capital
  - Encourage innovation
  - Speed project delivery
- Tolls are only one of several funding sources for partnerships

Summary

- The Sellwood Bridge Project needs a Financial Plan
- Project needs exceed identified funds at all levels of government
- Several local funding sources are possible
  - Fuel tax
  - Registration fee
  - Utility fee
  - Property tax levy
  - Tolls

Summary

- Rate, by source, needed to support $350 Million in Sellwood Bridge project costs:

Funding Source	Multnomah County	Multnomah, Clackamas, and Washington Counties
Fuel tax surcharge (cents per gallon)	12.0	6.6
Vehicle registration surcharge ($ per vehicle per year)	38.00	17.00
Transportation utility fee ($ per person)	40.00	17.50
Property tax local option levy ($ per $1,000 of assessed value)	0.58	0.24

- A Financial Plan likely will include a combination of sources--fuel tax, registration fees, utility fees, property tax and tolls each have advantages.

Summary

- Tolling the Sellwood Bridge alone might involve substantial collection costs and cause substantial traffic diversion.
- Tolling all bridges could generate more revenue than needed for the Sellwood project and afford the opportunity to lower collection costs.

Summary

- Public-private partnerships are a relevant approach to project implementation. They might, or might not, involve tolling.