

February 5, 2013

Senator Tracey Eide
235 J.A. Cherberg Building
PO Box 40430
Olympia, WA 98504-0430

Senator Curtis King
305 J.A. Cherberg Building
PO Box 40414
Olympia, WA 98504-0414

Representative Judy Clibborn
415 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

RE: Columbia River Crossing Quarterly Report ESHB 2190 Sec 305(17)

Dear Senator Eide, Senator King, Representative Clibborn, and Director Schumacher:

Section 305, subsection (17) of Engrossed Substitute House Bill 2190 requires the Washington State Department of Transportation to provide a quarterly report on Washington and Oregon's funding commitments and expenditures for the Columbia River Crossing project. The report is to include the following information:

1. An update on preliminary engineering and right-of-way acquisition for the previous quarter;
2. Planned objectives for right-of-way and preliminary engineering for the ensuing quarter;
3. An updated comparison of the total appropriation authority for the project by state;
4. An updated comparison of the total expenditures to date on the project by state; and
5. The committed funding provided by the state of Oregon to right-of-way acquisition.

This letter transmits to you the quarterly report for the period of October 2012 through December 2012 as required by proviso. As you are aware, Washington and Oregon have entered into an agreement whereby costs are shared for the design and construction of the shared highway and transit portions of the project. Additionally, each state is responsible for its own right-of-way acquisition costs.

It is important to note that not all expenditures incurred by Oregon are reflected in Washington State's Transportation Budget. There are expenditures related to Oregon's commitment to the project that run exclusively through Oregon's financial systems and will not show in the project information routed through

the budget process. This information has been provided by the Oregon Department of Transportation and is reflected separately in the attached report.

Below is a table that shows a high-level breakdown of the shared and non-shared components of the project's funding.

<i>(dollars in thousands)</i>	Washington			Oregon		
	State	Federal	Total	State	Federal	Total
Shared^{1,2}						
Preliminary Engineering	48,188,000	52,555,000	100,743,000	11,732,148	87,397,847	99,129,995
Construction	0	0	0	0	0	0
Sub-Total ⁴	48,188,000	52,555,000	100,743,000	11,732,148	87,397,847	99,129,995
			50%			50%
Direct Contribution (Non-shared)						
Right-of-way ³	800,000	23,329,000	24,129,000	0	0	0
Sub-Total	800,000	23,329,000	24,129,000	0	0	0
			100%			0%
Total⁵	48,988,000	75,884,000	124,872,000	11,732,148	87,397,847	99,129,995
			56%			44%

Notes:

1. Costs are shared with Oregon for bridges, approaches, and transit elements
2. Oregon's preliminary engineering funding is shown as local funds in Washington's Budget
3. Oregon's right-of-way costs are not shown in Washington's Budget
4. Oregon's total does not include \$25 million identified for the CRC yet to be authorized.
5. \$4.1 million of WA funding is assumed to be reappropriated in the 13-15 biennium.

The table above reflects the latest plan to deliver the project as reflected in the 13-15 budget submittal. Right-of-way funding has been shifted to preliminary engineering and the expenditures for the 11-13 biennium are estimated to be approximately \$4 million less than the approved budget of \$124.872 million shown above.

The reporting proviso also required that \$15 million of the CRC budget be placed in un-allotted status until the state of Oregon's contribution of shared expenses is within \$5 million of Washington's. This requirement was met in the last quarter and WSDOT requested allotment of the \$15 million which was approved by OFM on September 6, 2012.

Please let me know if you have questions on this report or how commitments and expenditures are split between Washington and Oregon. I can be reached at (360)705-7121 or via e-mail at Jay.Alexander@wsdot.wa.gov.

Sincerely,

Jay Alexander, Director
Capital Program Development & Management Office

JA:gl:ad

cc: Nancy Boyd, Columbia River Crossing
Robin Rettew, Office of Financial Management

Columbia River Crossing

Quarterly Report Ending December 2012

Provided in accordance with ESHB 2190, Section 305(17) of the 2012 session

Project Description

The Columbia River Crossing project will help address significant safety and congestion problems along Interstate 5 between Vancouver and Portland, a critical freight corridor between Canada and Mexico. A replacement bridge with light rail was chosen as the locally preferred alternative in 2008 because it best addresses the challenges identified through the federal environmental review process: Seismic risk, heavy congestion, a high volume of collisions, problems moving freight, lack of a reliable transit option and poor bicycle and pedestrian pathways. The project will reduce congestion on I-5 and adjacent neighborhoods, reduce collisions by 70 percent, and provide a more reliable trip for interstate and international commerce that crosses the Interstate Bridge each year. In 2005, truck freight with an estimated value of \$40 billion was calculated to cross the Interstate Bridge.

(i) Update on preliminary engineering and right-of-way activities this quarter:

This quarter's activities continued to center on financial planning, New Starts transit funding milestones, permitting, pre-construction activities and design. Accomplishments from October – December 2012 included:

- Submitted Navigation Impact Report to United States Coast Guard, including analysis of vessel impacts at alternative bridge heights; continued discussions regarding mitigation of business impacts; shared findings with public and stakeholders.
- Submitted updated analysis to U.S. Department of Transportation for its National Environmental Policy Act re-evaluation related to 116 foot bridge height; USDOT concluded no new significant environmental impacts would result.
- Finalized economic impact analysis.
- Submitted data to Federal Aviation Administration for feasibility review.
- Submitted project Master Plan to Washington Legislature per legislative direction.
- Engaged traffic and revenue analysis consultant; began data collection and investment grade model development.
- Supported Washington Legislative Oversight Subcommittee meetings on Oct. 9 and Dec. 10 and Oregon Legislative Oversight Committee meeting on Dec. 11.
- Supported discussions of toll rate setting structure with Washington and Oregon transportation commissions, which led to adoption of interagency agreement by both commissions.
- Reviewed cost estimate.
- Submitted Section 404 permit application to United States Army Corps of Engineers.
- Submitted to Federal Transit Administration an update to the Real Estate Acquisition Management Plan.
- Began scoping for the initial construction program, as part of the New Starts application.
- Conducted subsurface utility exploration and geotechnical analysis fieldwork in Vancouver and Portland to resolve potential conflicts.

(ii) Planned objectives for preliminary engineering and right-of-way next quarter:

Activities for the next quarter (January - March 2013) will continue to center on financial planning, activities necessary to remain competitive for the federal New Starts transit funding, permitting, pre-construction activities and design. Planned activities include:

- Submit bridge permit application to United States Coast Guard.

(ii) Continued...

- Receive preliminary revenue stream information from traffic and revenue consultant review of existing information; continue data collection and model development.
- Support Oregon and Washington legislative discussions related to construction funding.
- Submit applications for state environmental permits related to water quality.
- Submit Section 408 permit application to United States Army Corps of Engineers.
- Submit applications for local land use permits.
- Complete scoping for initial construction program.
- Continue subsurface utility and geotechnical explorations fieldwork in Vancouver and Portland.
- Support discussions of Oregon Transportation Commission for tollway designation.

(iii) Total appropriation by State

Washington			Oregon		
	2011-13	Total		2011-13	Total
State	8,253,000	48,988,000	State	2,537,571	11,732,148
Federal ¹	54,195,304	75,884,000	Federal ¹	27,850,834	87,397,847
Total	62,448,304	124,872,000	Total	30,388,405	99,129,995

¹ \$7.5 million of the Corridor of the Future funding is shown in Oregon's federal appropriation amount, which causes Washington's federal appropriation in 2011-13 to differ from 12LEGFIN.

(iv) Project expenditures through December, 2012

	Washington	Oregon
Shared Expenditures		
Preliminary Engineering	82,910,969	77,352,100
Construction		
Shared Expenditures Sub-total¹	82,910,969	84,983,234
Non-Shared Expenditures		
Right of Way	0	0
Non-Shared Expenditures Sub-Total	0	0
TOTAL	82,910,969	84,983,234

¹ Includes \$7,631,134 in expenditures paid directly by ODOT that are not processed through WSDOT's accounting system

(v) Funds committed by the state of Oregon to right-of-way acquisition:

Oregon has not committed funds to acquire right-of-way.