

Columbia River Crossing Project
Portland, Oregon
New Starts Engineering
(Rating Assigned January 2014)

Summary Description	
Proposed Project:	Light Rail Transit 2.9 Miles, 5 Stations
Total Capital Cost (\$YOE):	\$2,711.83 Million (Includes \$95.9 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$850.00 Million (31.3%)
Annual Operating Cost (opening year 2019):	\$5.70 Million
Current Year Ridership Forecast (2010):	16,500 Daily Linked Trips 5,410,300 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	23,400 Daily Linked Trips 7,666,300 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-High

Project Description: The Oregon Department of Transportation (ODOT) and the Tri-County Metropolitan Transportation District (TriMet) are jointly proposing to construct the Columbia River Crossing multimodal project that includes replacement of Interstate 5 (I-5) bridges, variable electronic tolls across the new bridges, park-and-ride lots, bike and pedestrian improvements, and an extension of the existing light rail transit (LRT) system. The transit portion of the project includes an extension of TriMet's Yellow Line LRT from the existing Expo Center Station in north Portland to Clark College in Downtown Vancouver, Washington. The line will include an elevated transit structure over the North Portland Harbor, an elevated structure over the Columbia River via the new multimodal bridge, and an at-grade portion in Vancouver. It will also include the procurement of 19 light rail vehicles (LRVs), construction of 2,900 park-and-ride spaces, an expansion of TriMet's maintenance facility at Ruby Junction in the City of Gresham, and modifications to Portland's Steel Bridge to accommodate the additional LRVs associated with the transit extension. TriMet will operate and maintain the LRT extension. In the opening year, service will be provided 19 hours per day, seven days per week. Service will operate every 12 minutes during weekday peak periods and every 15 minutes in the off-peak and on weekends.

Project Purpose: I-5 is the primary north/south highway from California to Canada, and one of only two highway crossings of the Columbia River in the Portland/Vancouver metropolitan area. It includes two drawbridges. Currently, congestion on I-5 reduces bus travel speeds and reliability. Congestion worsens when the bridges open to allow large river vessels to pass through. The LRT line will connect Portland and Vancouver and link the region's largest and most concentrated employment area (Downtown Portland) with the commercial and residential areas of Clark County. The transit project will provide direct links to the region's other LRT lines, streetcar lines, aerial tram, Amtrak passenger rail service, and most local bus routes in Portland and Vancouver.

Project Development History, Status and Next Steps: A Draft Environmental Impact Statement (EIS) for the Columbia River Crossing project was published in May 2008. The Vancouver and Portland metropolitan planning organizations adopted the locally preferred alternative into their fiscally-constrained long-range transportation plans in July 2008. Under SAFETEA-LU, FTA approved the project into preliminary engineering in December 2009. Publication of the Final EIS occurred in

September 2011, and issuance of the Record of Decision occurred in December 2011. The project is considered grandfathered into the MAP-21 engineering phase since the environmental review process is completed. ODOT and TriMet anticipate receiving a Full Funding Grant Agreement in 2014, and starting revenue operations in 2019.

Significant Changes Since Last Evaluation (November 2012): In June 2013, the Washington State Legislature decided not to provide funding for the project. ODOT and TriMet replaced the Washington State Department of Transportation as the project sponsor. ODOT and TriMet made several changes to the project scope and financial plan. The project scope was revised to eliminate the highway interchanges north of State Route 14 in Washington State. As a result, the project's capital cost decreased from \$2,796.91 million to \$2,711.83 million. The sources of funds in the project financial plan were revised. The Washington State legislative funds were eliminated as a source of funding. The following funding sources were added to the financial plan: toll cash proceeds from pre-completion tolling and TriMet funds. The Transportation Infrastructure Finance and Innovation Act (TIFIA) loan was increased from \$850 million to \$900 million.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$850.00	31.3%
FHWA Interstate Maintenance, Corridors of the Future, National Highway System, and Surface Transportation Program Funds	\$84.23	3.1%
State:		
Oregon DOT and Washington State DOT General Existing Funds	\$23.56	0.9%
Oregon DOT Anticipated Legislative Funds	\$404.35	14.9%
Local:		
Toll Bond Proceeds	\$174.47	6.4%
TIFIA Loan Repaid by Toll Revenues	\$900.00	33.2%
Toll Revenues from Pre-Completion Tolling	\$229.57	8.5%
TriMet Funds	\$45.65	1.7%
Total:	\$2,711.83	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Section 5309 New Starts Share	+1 level	The New Starts share of the project is 31.3 percent.
Project Financial Plan (50% of summary financial rating)	Medium	
Capital and Operating Condition (25% of composite rating)	Medium	<ul style="list-style-type: none"> • The average age of the Tri-County Metropolitan Transportation District of Oregon (TriMet) bus fleet is 13.1 years, which is older than the industry average. The average age of the Clark County Public Transportation Benefit Area (C-TRAN) bus fleet is 9.1 years, which is older than the industry average. . • TriMet’s most recent bond ratings, issued in August 2012, are as follows: Moody’s Investors Service Aa1. The Oregon Department of Transportation’s (ODOT) most recent bond ratings, issued in August 2013, are as follows: Moody’s Investors Service Aa1, Fitch’s AA+ and Standard & Poor’s Corporation AAA. • C-TRAN’s current ratio of assets to liabilities as reported in its most recent audited financial statement is 8.86 (FY2012). C-TRAN has not issued debt and does not have a credit rating. There have been no service cutbacks or cash flow shortfalls in recent years. • TriMet’s current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.59 (FY2013). There have been only minor service cutbacks and no cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of composite rating)	Medium-Low	<ul style="list-style-type: none"> • Approximately six percent of the non-Section 5309 New Starts capital funds are committed or budgeted. Sources of funds include Federal Highway Administration (FHWA) discretionary highway funds, a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan repaid with toll revenues, ODOT state funds, previously provided WSDOT state funds, TriMet funds, tolls expected to be collected prior to completion of the project, and toll revenue bond proceeds. • All of TriMet’s operating funding needed to operate and maintain the transit system in the first full year of operation is committed. Sources of TriMet operating funds include passenger revenue, local payroll and self-employment taxes, state funds from in-lieu-of payroll tax receipts, advertising revenues, cigarette tax revenues, FTA formula funds, and Congestion Mitigation and Air Quality Improvement (CMAQ) funds. • Approximately 84 percent of C-TRAN’s operating funding needed to operate and maintain the transit system in the first full year of operation is committed. C-TRAN’s main operating revenue sources are fares and an existing local sales and use tax.

Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of composite rating)	Medium	<ul style="list-style-type: none">• Toll revenues assumptions, and the assumed bonding against those tolls, are considered optimistic.• Assumed TriMet and C-TRAN farebox collections and sales tax revenues are consistent with historical experience.• The capital cost estimate is reasonable for this stage of the project.• ODOT demonstrates the financial capacity to cover cost increases or funding shortfalls equal to 10 percent of estimated project costs, predicated on the optimistic assumptions above.• Projected cash balances and reserve account are at least 18 percent and 39 percent of annual system-wide operating expenses for Tri-Met and C-TRAN, respectively.
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LAND USE RATING: *Medium*

The land use rating reflects population and employment densities within ½-mile of proposed station areas, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding county(ies).

- Average population density across all station areas is 2,400 persons per square mile, which corresponds to a low rating according to FTA benchmarks. Total employment served by a one seat ride is 145,000, corresponding to a medium-high rating according to FTA benchmarks. Average parking prices in downtown Vancouver are around \$8.50, corresponding to a medium rating. In downtown Portland, which the project would serve with a one-seat ride, the average daily parking cost is \$12, corresponding to a medium-high rating.
- The proportion of legally binding affordability restricted housing in the project corridor compared to the proportion in the counties through which the project travels is 2.74, which corresponds to a high rating.
- Downtown Vancouver features a grid street pattern, complete sidewalk network, and numerous pedestrian amenities. The Clark College Station area is well-served by trails and sidewalks but most uses closest to the station are athletic fields or open space. The Hayden Island Station in Portland is surrounded by a major highway interchange, massive shopping mall, and housing.

ECONOMIC DEVELOPMENT RATING: *High*

Transit-Supportive Plans and Policies: High

- *Growth Management:* Oregon’s comprehensive planning system has been in place for more than 30 years, with land use laws playing a major role in determining how cities and regions grow. In Washington, state, county, municipal, and district plans and policies all promote transit- and pedestrian-friendly design and development character in the downtown Vancouver area.
- *Transit-Supportive Corridor Policies:* Portland has led conceptual redevelopment planning for the proposed Hayden Island Station area to increase the density and pedestrian-friendliness of the area. In Vancouver, the City Center Vision and Subarea Plan and the Downtown District Plan provide for increased building heights, designate pedestrian corridors, limit parking facilities, and provide for pedestrian-friendly design features (e.g., zero setbacks, blank wall restrictions).
- *Supportive Zoning Regulations Near Transit Stations:* Transit overlay zoning on Hayden Island has not yet been adopted. Vancouver’s Transit Overlay District (covering all station areas) imposes minimum densities (at least 0.5 to 2.0 floor area ratio), increased maximum densities, and parking maximums.
- *Tools to Implement Land Use Policies:* The City of Vancouver offers a multi-family housing tax exemption in the downtown area. Vancouver has also designated two Revenue Development Areas to finance infrastructure improvements. Vancouver also reduces impact fees for new developments in the Transit Overlay District that include amenities for pedestrians and transit users.

Performance and Impacts of Policies: High











- *Performance of Land Use Policies:* TriMet estimates that light rail in the region has spurred over \$6 billion in investment along corridors in the Portland region. Metro, Portland’s metropolitan planning organization, administers a Transit Oriented Development Program that has assisted 29 development projects currently under construction or completed. A number of projects in the southern part of downtown Vancouver were completed recently, many taking advantage of reduced parking requirements and density bonuses.
- *Potential Impact of Transit Investment on Regional Land Use:* Development goals, supported by a recent development capacity study, aim for over 3.5 million square feet of new commercial and institutional space, and 1,400 new residential units, in downtown Vancouver by 2023.

Tools to Maintain or Increase Share of Affordable Housing: Medium

- Vancouver has documented a need for affordable housing. City code extends a property tax exemption for new multifamily housing in the city center from eight to 12 years if a 20 percent affordability requirement is met. Otherwise there seem to be few tools to preserve affordability in the Vancouver portion of the project corridor. Examples of developer activity were not provided.
- The City of Portland has a range of policies, financing tools, and funding available for affordable housing, as well as stringent long-term affordability provisions (60-year timeframe). However, projects do not appear to have been targeted at the Hayden Island Station area.

Columbia River Crossing Project – Portland, OR and Vancouver, WA

LEGEND

-  Highway Improvements
-  Existing Highway and Bridge
-  Proposed Light Rail Alignment
-  Existing MAX Lines
-  Existing Projects Under Construction
-  Proposed Park and Ride
-  Proposed Light Rail Stations
-  Interchange Improvements
-  Possible Staging or Casting Areas
-  Other Light Rail-related Improvements

