Report outlines options for funding Newberg-Dundee Bypass Project

by Bend Weekly News Sources

The Oregon Transportation Commission received a report Dec. 12 that lays out a menu of funding options, cost reductions and tolling concepts that state and local decision makers can consider for constructing the Newberg-Dundee Bypass Project. While the Milestone One Report, submitted by the Oregon Transportation Improvement Group (OTIG), provides an analysis of project costs, available funding sources and potential funding gaps, it does not make recommendations regarding any specific funding alternative. â€œOTIGâ€™s professional analysis will help us lay the groundwork for a solution on funding this important project,â€• said Jim Whitty, the manager of ODOTâ€™s Oregon Innovative Partnerships Program (OIPP), who presented the report to the Commission at its regularly scheduled meeting today. â€œOur next steps are to carefully review OTIGâ€™s assumptions and conclusions, determine our own position, and sit down with our stakeholders and local community to come up with a financing plan that works for the state and citizens of Yamhill County.â€• Some key highlights of the report include:

The project may be financially feasible. A combination of private equity financing with some public sector participation is required and a menu of options for moving forward is provided;

Estimates that initial construction costs for the project are from $374 to $493 million, including right of way costs. The report identifies potential areas where cost savings may be available;

The report examined tolling as the primary source of funding and considered various tolling options:

Tolling the bypass alone is not feasible since it will not only leave a significant funding gap, but the revenue generated would not be adequate to cover operating and maintenance costs;

The report examines a number of tolling methods to fund the project such as â€œpass through tollingâ€• which tolls through traffic using 99W while providing exclusions for local residents and visitors who spend more than two hours inside the corridor;

The report indicates that should one of the tolling options be adopted, it must be structured to be fair to residents and people traveling to visit the area while providing a strong incentive for pass-through traffic to Portland and the coast to use the faster and more reliable bypass rather than adding to congestion on OR 99W.

If a tolling method is chosen, there will be a significant funding gap that would need to be filled by other funding sources;

Non-stop electronic tolling should be considered so that the toll or fee collection system does not slow traffic, if tolling is ultimately chosen as a financing mechanism. (Motorists obtain a small electronic sticker to affix to their windshield. It can not be used for tracking purposes);

ODOT has formed its own team of experts, and is receiving guidance and feedback from local stakeholders to take a critical eye to OTIGâ€™s assumptions and conclusions and to make sure the public will get the best financial deal possible for the project. â€œThis objective report provides us with the cost analyses and some options for funding the project,â€• Whitty said. â€œODOT must now determine its position and work with the local communities to develop an agreeable financing plan to bring this project to fruition. The challenge in the coming months will be agreeing on a funding method that the public, state and others can accept.â€• In February of this year, ODOT signed a public-private partnership agreement with OTIG to help find ways to deliver the Newberg Dundee Bypass Project and other large transportation infrastructure projects to the state years ahead of when they might otherwise be built. OTIG is an international consortium, headed by the Macquarie Infrastructure Group. Macquarie is a world-wide leader in bringing major, unfunded transportation projects to successful completion. The Newberg-Dundee Bypass is approximately 11 miles long, and lies along the south sides of Newberg and Dundee. The bypass would provide an alternative route to the heavily congested OR99W highway that passes through the downtown cores of Newberg and Dundee. ODOT is already more than halfway finished with the environmental process that would receive federal approval to begin construction of the bypass sometime in 2008.

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