Report outlines options for funding
Newberg-Dundee Bypass Project

SALEM—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 choose from for developing 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.

“OTIG’s professional analysis will help us lay the groundwork for a solution on funding this important project, but we have not made any decisions yet,” said Jim Whitty, the manager of ODOT’s Oregon Innovative Partnerships Program (OIPP), who presented the report to the Commission at its regularly scheduled meeting today. “Our next steps are to carefully review OTIG’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 Yamhill County.”

The report examined tolling as the primary source of funding and considered various tolling options. Some key highlights of the report include:

- Tolling the Bypass alone would not be feasible. 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 describes an option that would toll all traffic entering the corridor (Bypass and existing 99W). Local officials in Yamhill County do not support tolling all traffic, and
ODOT officials believe that this option is not politically feasible, and is therefore not pursuing it;

- The report examines other tolling methods to fund the project such as “Double Portal Tolling,” which could include time-of-day pricing and 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.

- Estimates that initial construction costs for the project is $369 to $493 million, including right of way costs. The report identifies potential areas where cost savings may be available;

- No matter which 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;

- To adequately communicate and garner community participation in the project, the report recommends that ODOT initiate a grassroots information, education and participation program with residents in the OR 99W corridor, the business community, news media, local leaders and elected officials about any potential funding gaps, options for funding the Bypass and the potential use of tolling.

ODOT has formed its own team of experts and local stakeholders to take a critical eye to OTIG’s assumptions and conclusions and to make sure the public will get the best financial deal possible for the project.
“This objective report provides us with the cost analyses and a full spectrum of alternatives for funding the project,” Whitty said. “ODOT must now determine its position and work with the local community to develop an agreeable financing plan to bring this project to fruition.”

“It is clear that we don’t have enough public funds to finance this project, and tolling only the Bypass will not come close to funding construction,” Whitty said. “The challenge in the coming months will be agreeing on a funding method that the public, state and others can accept.”

In February of this year, ODOT signed a public-private partnership agreement with OTIG to help find ways to deliver Newberg Dundee and other large transportation infrastructure projects to the state years ahead of when they might otherwise be built.

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 allow for a federal record of decision to begin construction of the Bypass sometime late in 2008.

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