



Facts about Oregon Transportation Improvement Group

Background: Oregon Transportation Improvement Group (OTIG) is the consortium of private-sector companies involved in a flagship public-private transportation partnership with the Oregon Department of Transportation (ODOT). Under the umbrella of the Oregon Innovative Partnerships Program, the ODOT-OTIG partnership is undertaking three vital transportation projects. These projects—Newberg-Dundee Bypass, the Sunrise Project and the I-205 South Corridor Improvements—would otherwise not be constructed in the foreseeable future, due to lack of public funds.

Profile: Oregon Transportation Improvement Group is a consortium of companies with deep experience and long histories of success in the financing, design, engineering, construction and operation of state-of-the-art transportation facilities. Oregon Transportation Improvement Group is comprised of:

- Macquarie Infrastructure Group, a wholly owned subsidiary of Macquarie Bank Limited of Australia. Macquarie Infrastructure Group is a leading corporation in the financing, construction and operation of highly successful transportation facilities in the United States and around the world. Macquarie is also developing the South Bay Expressway (California SR-125), a state-of-the-art electronic toll road in San Diego, California, and currently operates the Chicago Skyway and the Dulles Greenway in Virginia. Another Macquarie affiliate is currently developing the Sea-To-Sky Highway in British Columbia, along with vital related transportation links to serve the 2010 Winter Olympics. For more information, visit www.macquarie.com.au/au/mig/.
- Hatch Mott MacDonald is a North American engineering and transportation consulting firm with comprehensive capabilities in planning, environmental assessments, design, procurement, construction engineering and inspection, construction management, and facility maintenance and operations. Hatch Mott MacDonald is an industry leader in alternative project procurement, bringing extensive comprehensive engineering consulting experience to the ODOT-OTIG partnership. Its transportation project record includes project and construction management of the highway and bridge program for Santa Clara County, California; major light-rail projects in Sacramento and San Jose; and transportation infrastructure for the Pearson International Airport Terminal in Toronto. For more information, go to www.hatchmott.com/home.asp.
- Several other local sub-consultants are part of Oregon Transportation Improvement Group, including Preston Gates & Ellis LLP; Cogan Owens Cogan, LLC; and EnviroIssues. They provide valuable local area expertise and transportation experience.
- Local and national construction firms and subcontractors will be hired for actual project construction, if OTIG's pre-development work shows the projects to be financially viable.

Facts: The ODOT-OTIG partnership combines the strength of ODOT's planning and oversight, environment processing and right-of-way experience with Oregon Transportation Improvement Group consortium's financial resources and international experience in transportation infrastructure financing, development and operations.

- In January 2006, the Oregon Transportation Commission authorized Oregon Transportation Improvement Group to proceed with pre-development work on the three projects: the Newberg-Dundee Bypass, the Sunrise Project and the I-205 South Corridor Improvements.



- Oregon Transportation Improvement Group's experts will analyze the financial and technical feasibility of various options for the projects. Activities undertaken during this phase will allow OTIG to make informed decisions regarding the next steps for each project—whether to go forward into the implementation phase or not.
- The Oregon Innovative Partnerships Program encourages its partners to consider flexible financing options for infrastructure projects, including private-sector funding, lease-back tolling operations, special improvement districts, and federal and State bonds.
- Tolls are being considered as a way to help pay for construction, operation and maintenance of the projects. In 1999, the Oregon Legislature directed ODOT to examine tolling as a way to help finance highways (ORS 366.292).
- Oregon Transportation Improvement Group will work side by side with ODOT and local communities as they investigate the feasibility of the projects.
- When the pre-development work is finished, and if the projects are deemed technically and financially viable, ODOT will request Oregon Transportation Commission approval to enter into negotiations with Oregon Transportation Improvement Group to implement the projects. If negotiations are successful, OTIG will bid out the projects for construction, which will result in the creation of jobs for Oregonians.
- ODOT has set aside an amount not to exceed \$20 million for possible reimbursement for the cost of conducting the pre-development studies should ODOT or Oregon Transportation Improvement Group decide not to proceed with a project. However, Oregon Transportation Improvement Group has agreed to bear the cost of conducting the pre-development studies—in addition to providing up-front funding for the projects if they prove feasible—and it was their willingness to do so that was a key point in their proposal. None of the \$20 million will be reimbursed if the projects move successfully into implementation. The total pre-development costs for the three individual projects are estimated at over \$26.5 million, but ODOT's potential reimbursement is capped at \$20 million.

Benefits: Oregon Transportation Improvement Group's selection provides a number of benefits:

- Oregon Transportation Improvement Group has proposed to provide the funding needed to build the projects up front. This is crucial since no additional federal or State funding is currently available for these projects, nor is it expected to be available within the foreseeable future.
- The Macquarie Infrastructure Group offers significant U.S. and international experience financing, building and operating high-quality transportation facilities.
- If the projects move forward, Oregon Transportation Improvement Group will conduct a competition for design and construction of the projects, ensuring that Oregon will receive the highest value on its investment. This also means the projects will bring family-wage jobs to the State.
- The partnership ensures that ODOT remains in control of the projects, requiring Oregon Transportation Improvement Group to conform to strict environmental and land use regulations and to remain sensitive to the needs of the communities they serve.