

# **OREGON TRANSPORTATION INFRASTRUCTURE BANK**

## **ANNUAL REPORT**

**Submitted to:**

**Federal Highway Administration**

**and**

**Federal Transit Administration**

**Submitted by:**

**Oregon Department of Transportation**

**December 31, 2010**



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## **1. Introduction**

We are pleased to present the Oregon Transportation Infrastructure Bank (OTIB or Infrastructure Bank) 2010 Annual Report. The Cooperative Agreement (at Section 1.5(V)) between the Oregon Department of Transportation (ODOT), The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) requires ODOT to submit an annual report for the Infrastructure Bank.

This Annual Report consists of two sections – the State Infrastructure Bank (SIB) summary and the unaudited financial statements. The SIB summary includes:

- ◆ Introduction
- ◆ History of the OTIB program
- ◆ OTIB operations
- ◆ Organization of the OTIB
- ◆ Summary of completed loans
- ◆ Active and closed portfolios
- ◆ Fund status and fund availability
- ◆ Descriptions of major loans of the portfolios
- ◆ Map of the project locations

## **2. History**

On April 4, 1996 the Secretary of the U. S. Department of Transportation designated Oregon as one of the first ten states eligible to operate a SIB (Section 350 of the National Highway System Designation Act of 1995). The parties (FHWA, FTA and ODOT) signed a SIB Cooperative Agreement on August 20, 1996.

The 1997 Oregon Legislative Assembly passed House Bill 2097. The bill, signed into law by the Governor on July 28, 1997 established the Oregon Transportation Infrastructure Fund (OTIF) and provided authority for the OTIB program (codified in Oregon Revised Statutes (ORS) 367.010 to 367.050). The Infrastructure Bank operates as a component of the OTIF.

In 1999, the Oregon Legislative Assembly passed House Bill 2197 authorizing the OTIF to provide loan guarantees for eligible transportation projects, backed by a pledge of up to \$10 million of State Highway Fund revenues. The amount was increased to \$50 million in 2003 with the passage of Senate Bill 772. The provisions of House Bill 2197 and the increase established by Senate Bill 772 are codified in ORS 367.060.

Additionally, Senate Bill 772 provided ODOT with the ability to develop public-private partnerships for transportation projects and incorporated changes to ORS chapter 367 that provide specific authority for the OTIF to assist private entities.

In 2003, the Legislative Assembly passed House Bill 2213. This bill codified ODOT's ability to withhold payments to local governments in the event of loan default and clarified the eligible entities for OTIF loans.

### **3. Summary of OTIB Operations for Federal Fiscal Year 2010**

The following provides a summary of the OTIB Active Loan portfolio and funds and accounts.

#### **a. Loans**

From November 13, 2008, to October 13, 2010 the Oregon Transportation Infrastructure Bank had a moratorium on new applications.

The OTIB originated no loans in Federal Fiscal Year 2010.

Currently, in its Active Portfolio, the OTIB has 14 loans with an outstanding balance of \$28,499,688.61

Since its inception, as of September 30, 2010, an additional 12 loans totaling \$17,153,334 have been originated and paid off.

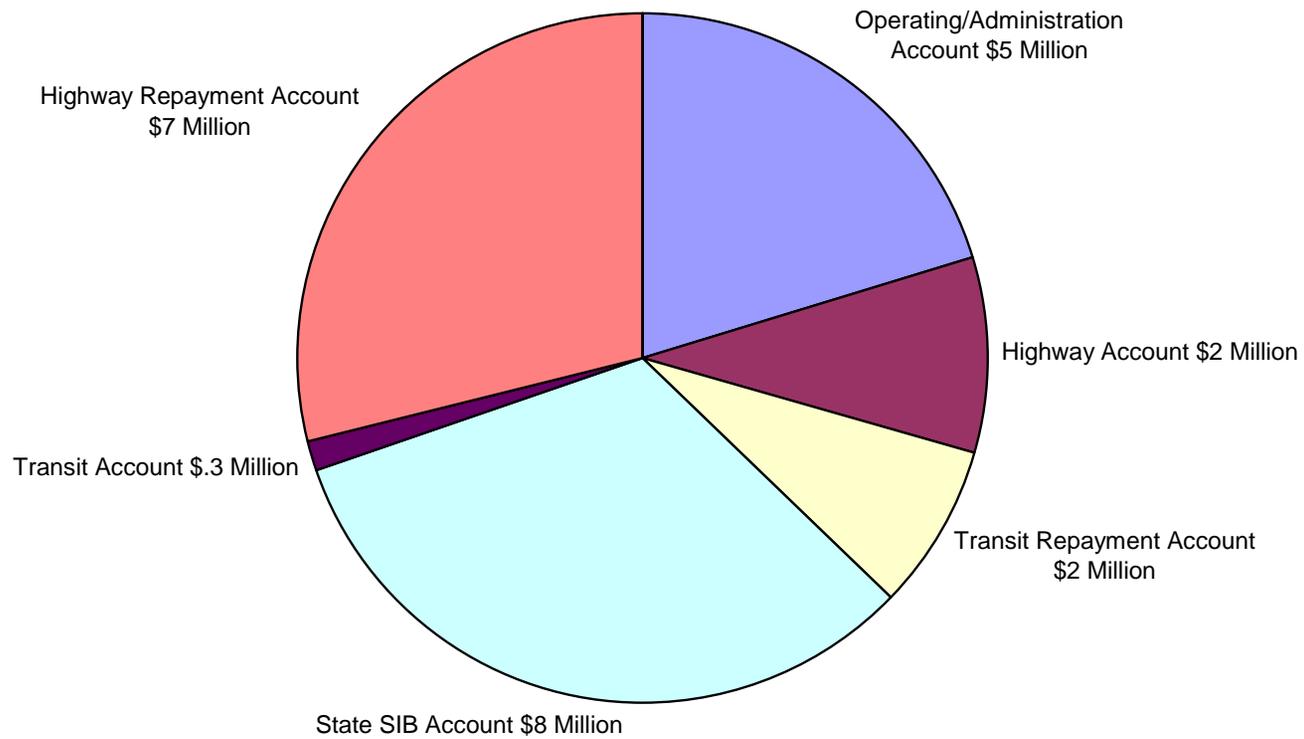
#### **b. Funds**

The OTIB ended federal fiscal year (FFY) 2010 with a cash balance of \$24,550,704.18. This cash balance was made up of six accounts:

- i. 645-01 – Highway Account: This account is used for loans for highway projects that are federal aid eligible. It carries federalization requirements.  
Balance on 09/30/2010 \$2,208,820.58
  
- ii. 645-02 – Transit Account: This account is used for loans for Transit Capital Projects that are federal aid eligible. It carries federalization requirements.  
Balance on 09/30/2010 \$345,517.32
  
- iii. 645-05 – Highway Repayment Account: This account is made up of repayments for loans made from 645-01 which are from non-federal sources. This account is used for loans for Title 23 (United States Code Title 23) and Title 49 purposes. It does not carry federalization requirements.  
Balance on 09/30/2010 \$7,074,453.88

- iv. 645-03 – Transit Repayment Account: This account is made up of repayments for loans made from 645-02 which are from non-federal sources. This account is used for loans for Title 23 and Title 49 purposes. It does not carry federalization requirements.  
Balance on 09/30/2010 \$1,968,837.42
  
- v. 645-04 – State Infrastructure Bank: State Highway Funds used for loans for highway projects. This account is funded by a line of credit from the State Highway Fund. This fund carries Oregon constitutional and statutory restrictions.  
Balance on 09/30/2009 \$7,958,367.83
  
- vi. 641-01 Administrative Account: Funded from fees and other revenues. This fund carries Constitutional and Statutory restrictions.  
Balance on 09/30/2009 \$4,983,613.04

**C. OTIB Balances September 30, 2010**

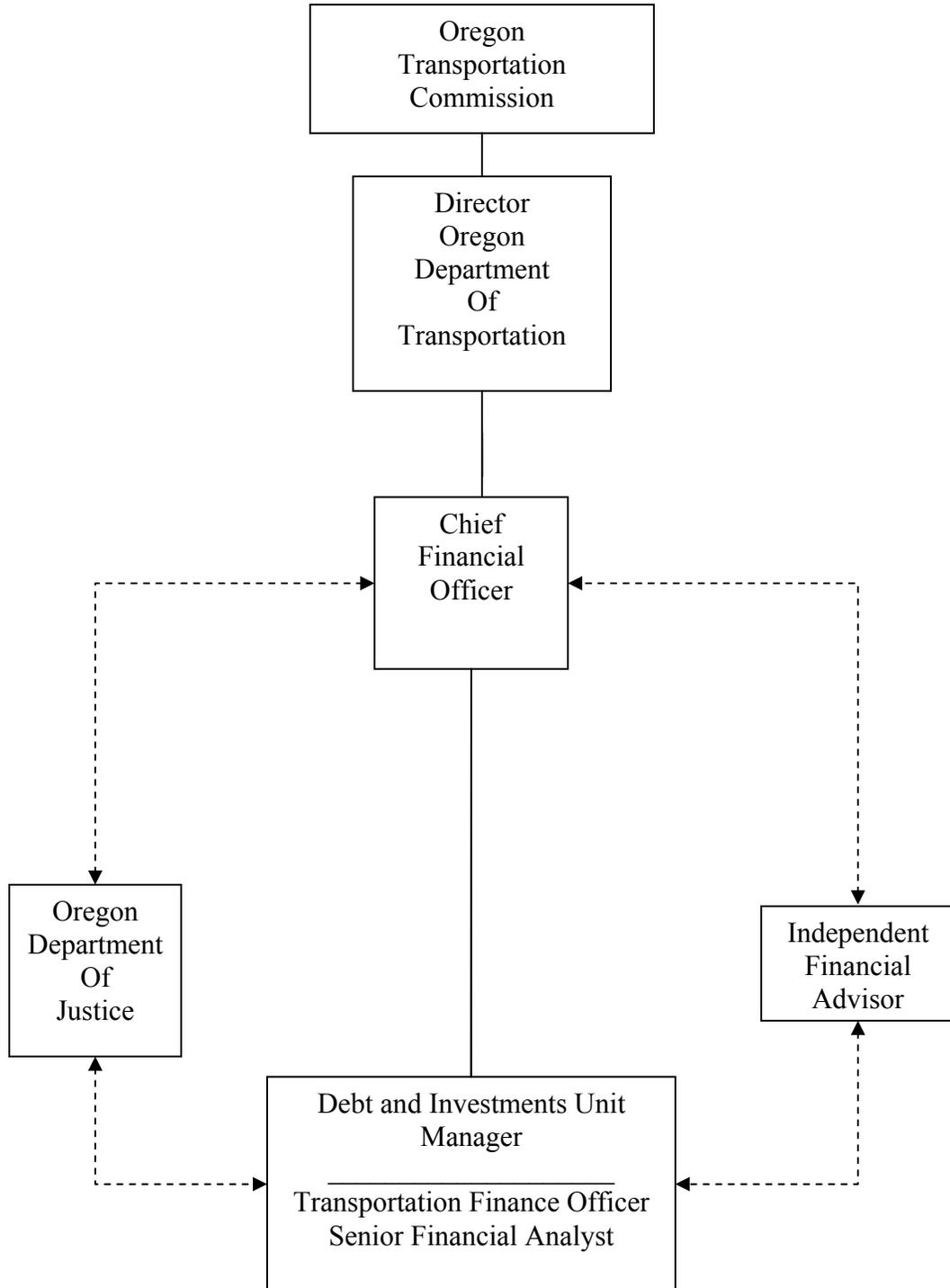


#### **4. Note**

This Annual Report contains loan summaries for loans that closed during the FFY 2010 (October 2009 – September 2010). The Active Portfolio list contains loans that had an open encumbrance or an outstanding balance during the year. Also, there are graphs displayed in the report that reflect the types of loans issued, fund balances and a state map showing the locations of the loans issued.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the Oregon Transportation Infrastructure Bank.

### 5. OTIB Organizational Chart



## **6. Loan Agreements for Federal Fiscal Year 2010**

During FFY 2010 the OTIB did not originate any loans.

## 7. Active Portfolio

OTIB ACTIVE PORTFOLIO REPORT September 30, 2010													
Loan Count	Loan No.	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Maturity Date	Undisbursed Amount	Principal Balance OS	Interest Receivable	Outstanding Loan Balance	Next Scheduled Payment Date	Scheduled Amount
1	0018	Tillamook County	Sand Lake-Galloway Road Improvements	06/28/00	1,250,000	0.500%	07/01/20	_____	264,996.30	-	264,996.30	07/01/11	38,600
2	0020	City of Rainier	West "B" Street	05/11/01	302,000	4.000%	05/11/11	_____	66,227.66		66,227.66	05/11/11	68,759
3	0022	City of Rainier	West "B" Street	04/12/02	113,000	4.000%	05/11/11	_____	24,780.57		24,780.57	05/11/11	25,728
4	0023	Tillamook County Transportation District	Transit Facility	02/04/03	750,000	4.000%	06/01/23	_____	541,305.63	-	541,305.63	11/01/10	4,545
5	0024	City of Phoenix	I-5; Fern Valley	05/29/03	1,000,000	4.000%	05/01/13	100,000	150,017.26		150,017.26	05/01/11	123,291
6	0025	City of Scappoose	Crown Z Road	08/28/03	625,000	4.000%	01/02/19	_____	397,666.60	-	397,666.60	01/02/11	56,213
7	0026	City of Jacksonville	Hwy 238; Other Improvements	10/03/03	1,145,000	4.000%	08/01/15	871	626,461.25	-	626,461.25	08/01/11	141,168
8	0027	City of Nyssa	Snake R. Bridge Waterline Relocation	04/26/04	125,500	0.000%	06/01/14	_____	21,162.00		21,162.00	01/01/11	6,300
9	0029	Clackamas County	Sunnyside Rd Widening I-205 to 172nd Av	05/25/05	12,250,000	3.750%	11/15/20		9,382,445.98		9,382,445.98	11/15/10	175,646
10	0031	Multnomah County	223rd Sandy Blvd. Bridge St Undercrossing	10/07/08	4,600,000	3.980%	09/01/25	1,394,120	3,205,746.03	-	3,205,746.03	03/01/11	64,148
11	0036	Cascade Sierra Solutions	SmartWay Upgrade	02/26/08	2,985,179	5.000%			2,105,531.65	-	2,105,531.65	10/01/10	56,614
12	0038	Clackamas County	5 Projects	08/05/08	10,000,000	3.650%		0	9,513,919.84	-	9,513,919.84	11/15/10	395,600
13	0040	City of Pendleton	Airport Connector Rd Barnhart Rd Property	04/22/09	6,500,000	4.800%	01/01/30	5,037,364	1,194,961.43		1,194,961.43	01/01/11	512,769
14	0041	Athey Creek CF	I-205 Stafford Rd, Ek Rd Intersection		950,000	5.000%	01/01/21	0	950,000.00		950,000.00	01/01/11	65,313
Totals	_____	_____	_____	_____	42,595,679	3.535%	_____	6,532,355	28,445,222.20	0.00	28,445,222.20	_____	1,734,694

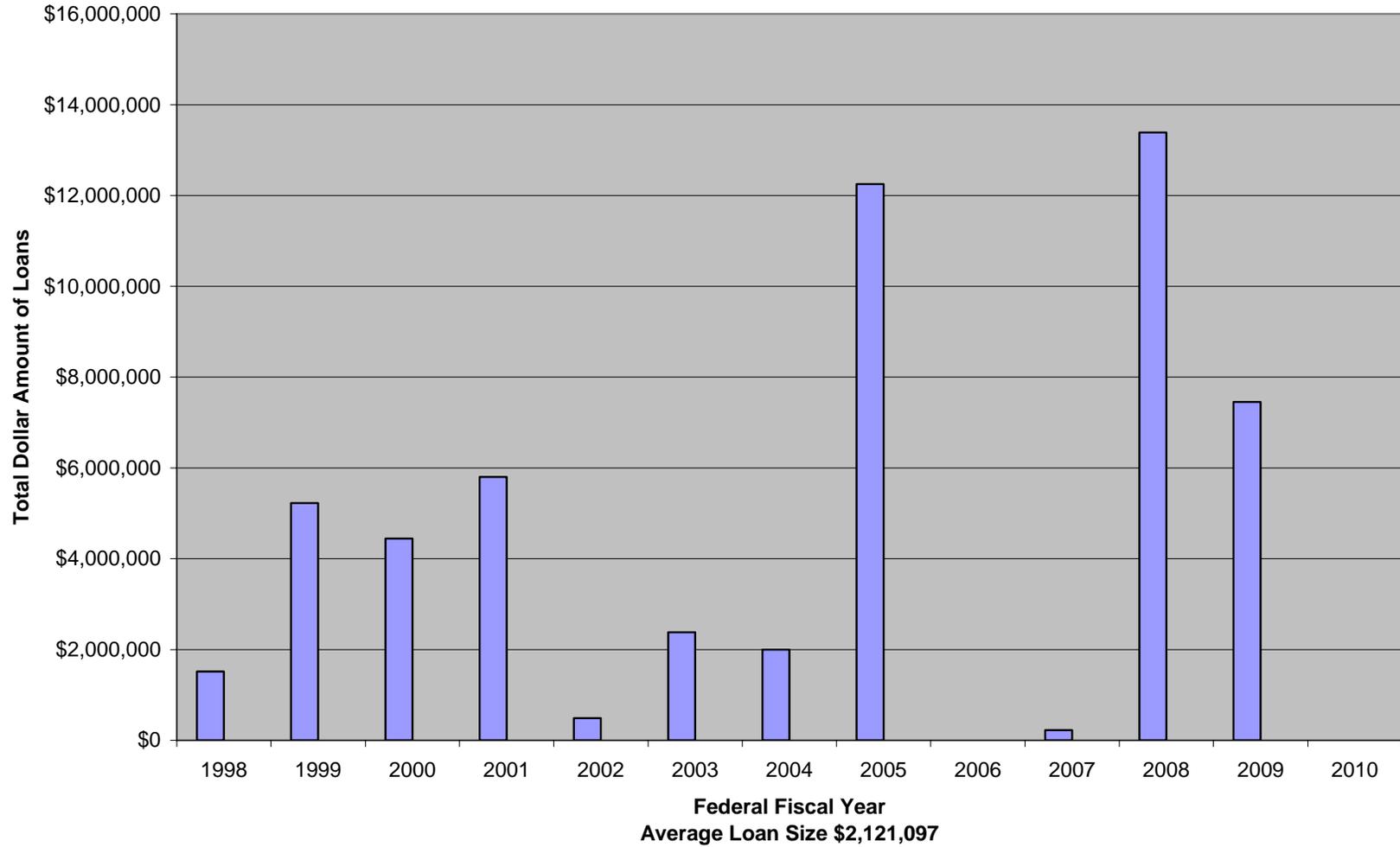
## 8. Paid Portfolio

### OTIB PAID PORTFOLIO REPORT September 30, 2010

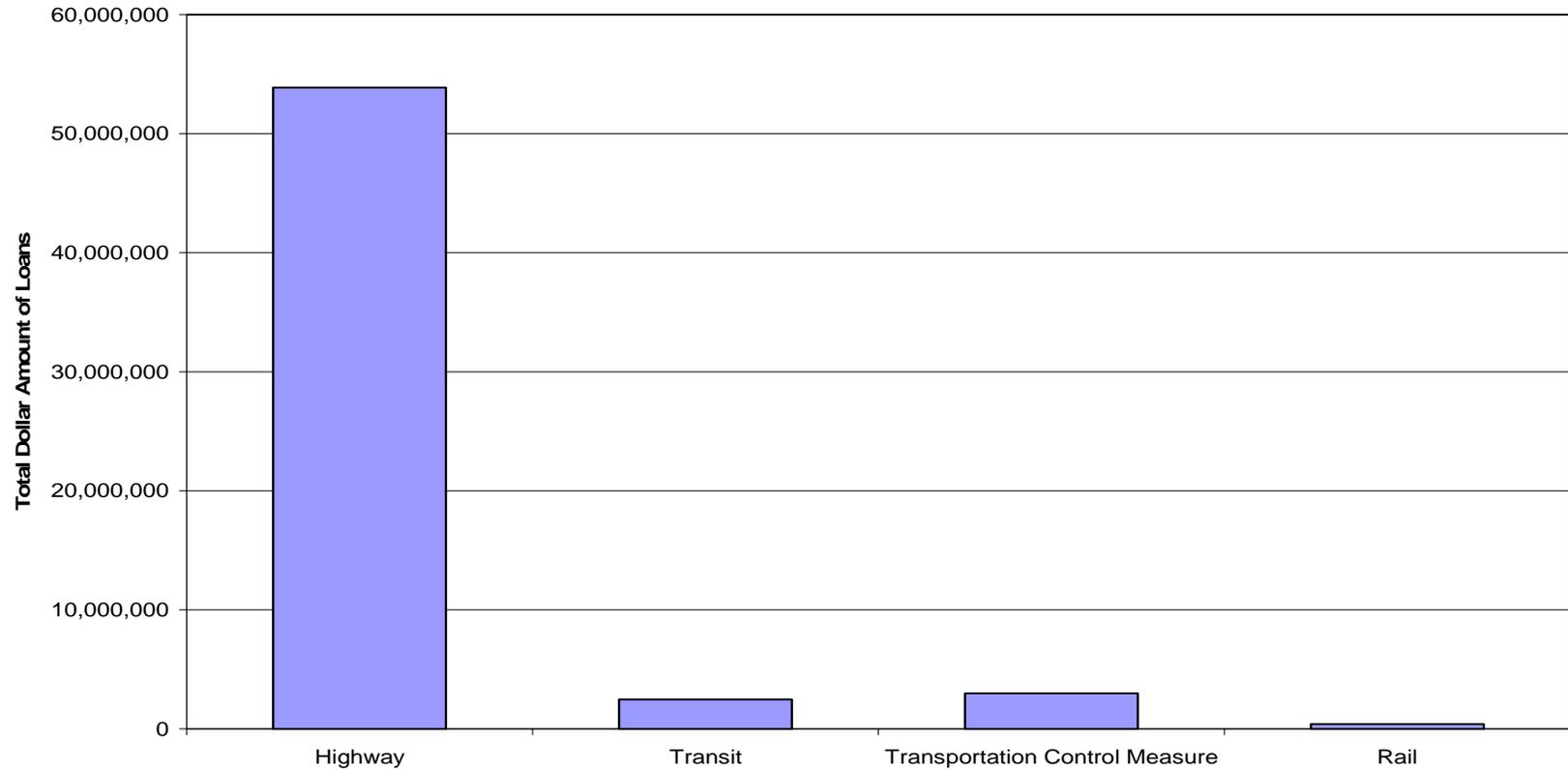
Loan Count	Loan No.	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Scheduled Maturity Date	Paid Date
1	0003	Lane Transit District	Signal Priority Systems	05/15/98	781,000	4.180%	01/01/04	07/21/00
2	0009	City of Independence	Ash Creek Bridge Replacement	04/01/98	735,000	4.000%	07/01/00	01/31/99
3	0011	Sunset Empire Transportation	Intermodal Center Design	08/26/99	225,000	3.610%	12/31/03	06/04/04
4	0012	Washington County	Murray Boulevard Bridge Widening	06/30/99	4,400,000	3.610%	06/30/03	06/18/03
5	0015B	Port of Hood River	Interstate Bridge Lift Controls	08/03/99	600,000	3.560%	09/03/03	04/23/03
6	0016B	City of Portland	Landslides Repair	02/29/00	690,000	4.180%	05/01/04	06/28/01
7	0017	City of Portland	Lovejoy Ramp Replacement	03/20/00	2,500,000	4.320%	06/30/04	06/04/04
8	0019	ODOT (State Highway Fund)	SW 18th Avenue Ontario	04/17/01	5,500,000	3.500%	03/30/03	09/30/02
9	0021	ODOT (State Highway Fund)	Highway 99E Signal Harrisburg	01/30/02	375,000	4.000%	10/15/06	09/30/02
10	0037	ODOT Rail	MMTF Study	04/14/08	400,000	0.000%	04/14/10	06/26/09
11	0033	City of Turner (State Highway Fund)	3rd and Denver	03/08/07	222,334	4.110%	01/01/29	11/23/09
12	0028	Rogue Valley Transp. (645-03 Fund)	Purchase Equipment	07/30/04	725,000	4.000%	12/01/14	03/05/10
Total					17,153,334			

Total Number of Loans Made Since Inception      26  
 Total Number of Loans Paid Off                      12  
 Total Number of Loans Still Outstanding            14

## 9. OTIB Loans



### 10. OTIB Loans By Mode



“Highway:” any federal aid or state highway fund eligible highway project such as a road, intersection or bridge improvement.

“Transit:” transit capital projects such as buses, equipment, maintenance facilities, ADA-related equipment, vanpools, park-an-ride lots, passenger facilities.

“Transportation Control Measure”: signal priority systems.

“Rail:” railroad projects eligible under Title 23 or Title 49 and the Oregon State Highway Fund.

## 11. OTIB Active Portfolio Characteristics

### Loan No.

0018	Borrower:	Tillamook County
	Project Description:	Sand Lake – Galloway Road Improvements
	Loan Amount:	\$1,250,000
	Outstanding Balance:	\$338,775.26
	Terms:	.5% for 15 years. Annual payments of \$38,600
0020	Borrower:	City of Rainier
	Project Description:	West “B” Street
	Loan Amount:	\$302,000
	Outstanding Balance:	\$189,791.17
	Terms:	4% for 5 years. Annual payments of \$67,837.39
0022	Borrower:	City of Rainier
	Project Description:	West “B” Street
	Loan Amount:	\$113,000
	Outstanding Balance:	\$71,014.58
	Terms:	4% for 5 years. Annual payments of \$25,833
0023	Borrower:	Tillamook County Transportation District
	Project Description:	Transit Facility
	Loan Amount:	\$750,000
	Outstanding Balance:	\$611,585.51
	Terms:	4% for 20 years. Monthly payments of \$4,545
0024	Borrower:	City of Phoenix
	Project Description:	I-5: Fern Valley Exit
	Loan Amount:	\$1,000,000
	Outstanding Balance:	\$373,025.31
	Terms:	4% for 10 years. Annual payments of \$123,291
0025	Borrower:	City of Scappoose
	Project Description:	Crown Z Road
	Loan Amount:	\$625,000
	Outstanding Balance:	\$473,172.36
	Terms:	4% for 15 years. Annual payments of \$56,213

**Loan No.**

0026	Borrower:	City of Jacksonville
	Project Description:	Hwy 238
	Loan Amount:	\$1,145,000
	Outstanding Balance:	\$909,109.70
	Terms:	4% for 10 years. Annual payments of \$141,168
0027	Borrower:	City of Nyssa
	Project Description:	Snake River Bridge
	Loan Amount:	\$125,000
	Outstanding Balance:	\$52,662
	Terms:	0% for 10 years. Semi-annual payments of \$6,300
0028	Borrower:	Rogue Valley Transportation District
	Project Description:	Purchase Transportation Equipment
	Loan Amount:	\$725,000
	Outstanding Balance:	\$178,053.10
	Terms:	4% for 6 years. Monthly payments of \$7,340
0029	Borrower:	Clackamas County
	Project Description:	Sunnyside Road Widening 1-205 to 172 <sup>nd</sup> Avenue
	Loan Amount:	12,250,000
	Outstanding Balance:	\$10,857,724.67
	Terms:	3.750% for 15 years. Annual payments of \$66,343.79
0031	Borrower:	Multnomah County
	Project Description:	223 <sup>rd</sup> Sandy Blvd. Bridge Street Undercrossing
	Loan Amount:	4,600,000
	Outstanding Balance:	\$4,600,000
	Terms:	3.980% for 15 years. Annual payments of \$279,920

**Loan No.**

0033	Borrower:	City of Turner
	Project Description:	3 <sup>rd</sup> and Denver
	Loan Amount:	\$222,334
	Outstanding Balance:	\$222,334
	Terms:	4.11% for 20 years. Annual payments of \$16,056
0036	Borrower:	Cascade Sierra Solutions
	Project Description:	Smartway Upgrade
	Loan Amount:	\$3,000,000
	Outstanding Balance:	\$1,648,344.39
	Terms:	5.00% for 5 years. Monthly payments of \$56,614
0038	Borrower:	Clackamas County
	Project Description:	172 <sup>nd</sup> Avenue Sunnyside Road Phase 3 Stafford/Borland Intersection Clackamas River Bridge Tualatin River Bridge
	Loan Amount:	12,250,000
	Outstanding Balance:	\$10,857,724.67
	Terms:	3.750% for 15 years. Annual payments of \$566,343.79
0040	Borrower:	City of Pendleton
	Project Description:	Airport Connector Road (Barnhart Road) Project
	Loan Amount:	\$6,500,000
	Outstanding Balance:	\$251,380.71
	Terms:	4.8% for 20 years. Annual payments of \$512,769.00
0041	Borrower:	Athey Creek Christian Fellowship
	Project Description:	I-205, Stafford Road, Ek Road "Intersection Improvements, Enhancements and Upgrades"
	Loan Amount:	\$950,000
	Outstanding Balance:	\$950,000
	Terms:	5% for 10 years Annual payments of \$12,027

## 12. OTIB Paid Portfolio Characteristics

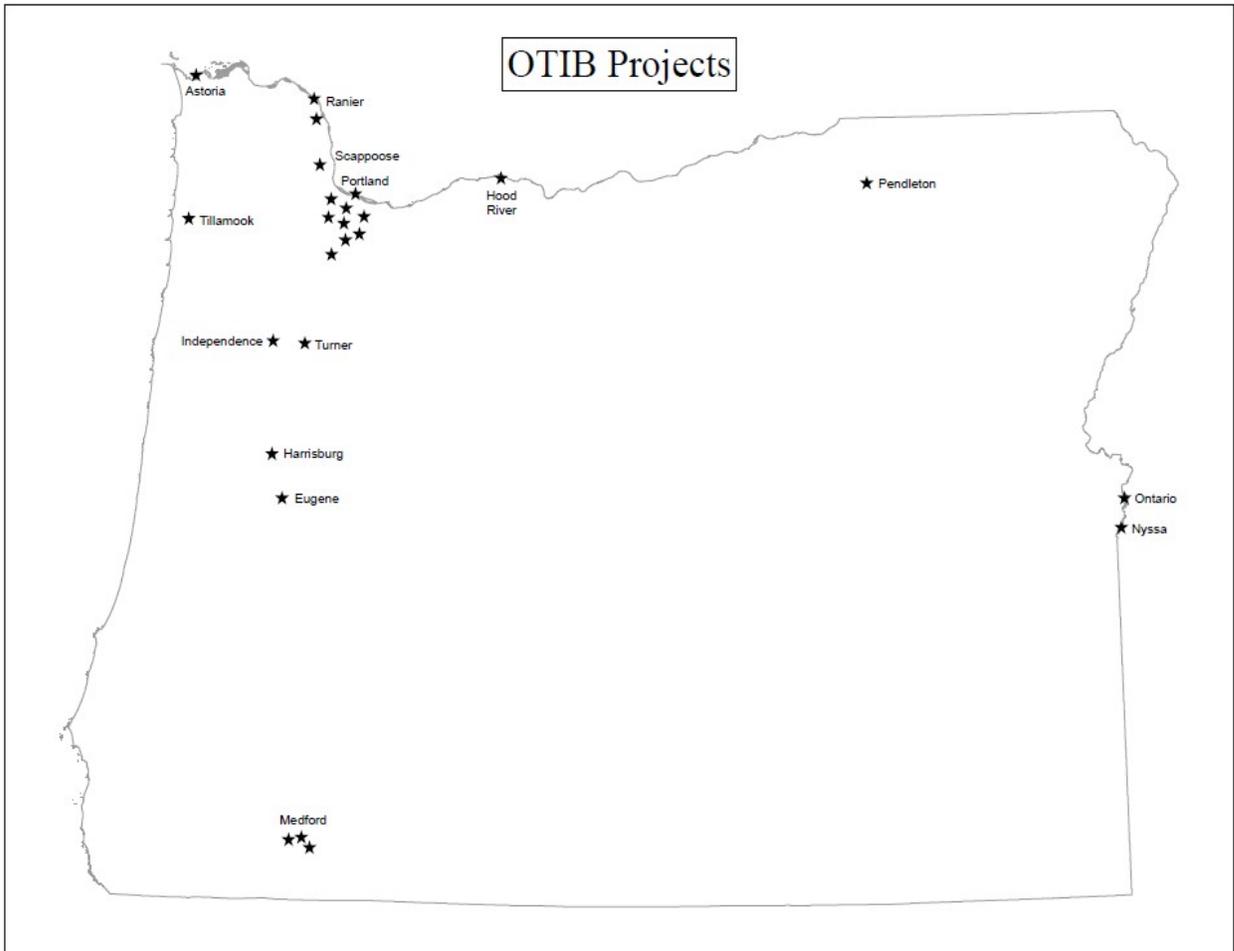
### Loan No.

0003	Borrower:	Lane Transit District
	Project Description:	Signal Priority Improvements
	Loan Amount:	\$781,000
	Terms:	4.18% for 5 years
	Paid Date:	07/21/2000
0009	Borrower:	City of Independence
	Project Description:	Ash Creek Bridge Replacement
	Loan Amount:	\$735,000
	Terms:	4% for 2 years
	Paid Date:	01/31/1999
0011	Borrower:	Sunset Empire Transportation District
	Project Description:	Intermodal Center Design
	Loan Amount:	\$225,000
	Terms:	3.61% for 5 years
	Paid Date:	06/04/2004
0012	Borrower:	Washington County
	Project Description:	Murray Boulevard Bridge Widening
	Loan Amount:	\$4,400,000
	Terms:	3.61% for 4 years
	Paid Date:	06/18/2004
0015B	Borrower:	Port of Hood River
	Project Description:	Interstate Bridge Lift Controls
	Loan Amount:	\$600,000
	Terms:	3.56% for 4 years
	Paid Date:	04/23/2004
0016B	Borrower:	City of Portland
	Project Description:	Landslides Repair
	Loan Amount:	\$690,000
	Terms:	4.18% for 4 years
	Paid Date:	06/28/2001

**Loan No.**

0017	Borrower:	City of Portland
	Project Description:	Lovejoy Ramp Replacement
	Loan Amount:	\$2,500,000
	Terms:	4.32% for 4 years
	Paid Date:	06/04/2004
0019	Borrower:	ODOT (State Highway Fund)
	Project Description:	SW 18 <sup>th</sup> Avenue Ontario
	Loan Amount:	\$5,500,000
	Terms:	3.50% for 2 years
	Paid Date:	06/30/2002
0021	Borrower:	ODOT (State Highway Fund)
	Project Description:	Highway 99E Signal Harrisburg
	Loan Amount:	\$375,000
	Terms:	4.0% for 4 years
	Paid Date:	09/30/2002
0037	Borrower:	ODOT Rail
	Project Description:	Connect Oregon II Multi Modal Study
	Loan Amount:	\$2,000,000
	Outstanding Balance:	\$70,000
	Terms:	0.00% for 3years. Payments at will.

### 13. OTIB Projects Map



## 14. OTIB Financial Statements

### Balance Sheet Oregon Transportation Infrastructure Bank June 30, 2010

#### Assets

Cash and Cash Equivalents	\$	25,256,165
Loans Receivable		27,431,972
Due From Other Funds		-
Other Accounts Receivable		<u>250</u>
<b>Total Assets</b>	\$	<u>52,688,387</u>

#### Liabilities And Fund Balances

##### *Liabilities:*

Accounts Payable	\$	7,462
Advances from Other Funds		<u>18,762,527</u>
<b>Total Liabilities</b>		<u>18,769,989</u>

##### *Fund Balances:*

Reserved For:		
Inventories		
Other Dedicated Programs		<u>33,918,398</u>
<b>Total Fund Balances</b>		<u>33,918,398</u>

<b>Total Liabilities and Fund Balances</b>	\$	<u>52,688,387</u>
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**State of Oregon**  
**Department of Transportation**  
**Statement Of Revenues, Expenditures and Changes in Fund Balances**  
**Oregon Transportaton Infrastructure Bank**  
**For the Fisacal Year Ended June 30, 2010**

<b>Revenues</b>		
Charges for Services	\$	10,950
Investment Income		1,204,940
Other Revenues		112,078
<b>Total Revenues</b>		1,327,968
 <b>Expenditures</b>		
Personal Services		101,308
Services and Supplies		5,098
Loan Interest		640,344
Special Payments		283,366
<b>Total Expenditures</b>		1,030,116
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		297,852
 <b>Other Financing Sources (Uses):</b>		
Loans Made to Others		(69,878)
<b>Total Other Financing Sources (Uses)</b>		(69,878)
<b>Net Change In Fund Balances</b>		227,974
<b>Fund Balances --Beginning</b>		33,865,527
Prior Period Adjustment		(175,103)
<b>Fund Balances -- Ending</b>	\$	33,918,398