



 Oregon
Department
of Transportation



Oregon Transportation Infrastructure Bank

ANNUAL REPORT

Submitted to:
Federal Highway Administration and
Federal Transit Administration

Submitted by:
Oregon Department of Transportation

December 31, 2011



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1. Introduction

We are pleased to present the Oregon Transportation Infrastructure Bank (OTIB or Infrastructure Bank) 2011 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 2011

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 three loans in Federal Fiscal Year 2011: a loan of \$444,800 to the City of Portland, a loan of \$85,000 to the City of Mitchell, and a loan of \$1,500,000 to Benton County.

Currently, in its Active Portfolio, the OTIB has 15 loans with an outstanding balance of \$26,352,628.

Since its inception, as of September 30, 2011, an additional 14 loans totaling \$17,568,334 have been originated and paid off.

b. Funds

The OTIB ended federal fiscal year (FFY) 2011 with a cash balance of \$26,552,260. This cash balance was made up of six accounts:

- i. 641-01 Administrative Account: Funded from fees and other revenues. This fund carries Oregon constitutional and statutory restrictions.
Balance on 09/30/2011 \$4,970,552.12

- ii. 645-01 – Highway Account: This account is used for loans for highway projects that are federal aid eligible. It carries federalization requirements.
Balance on 09/30/2011 \$2,291,550.89

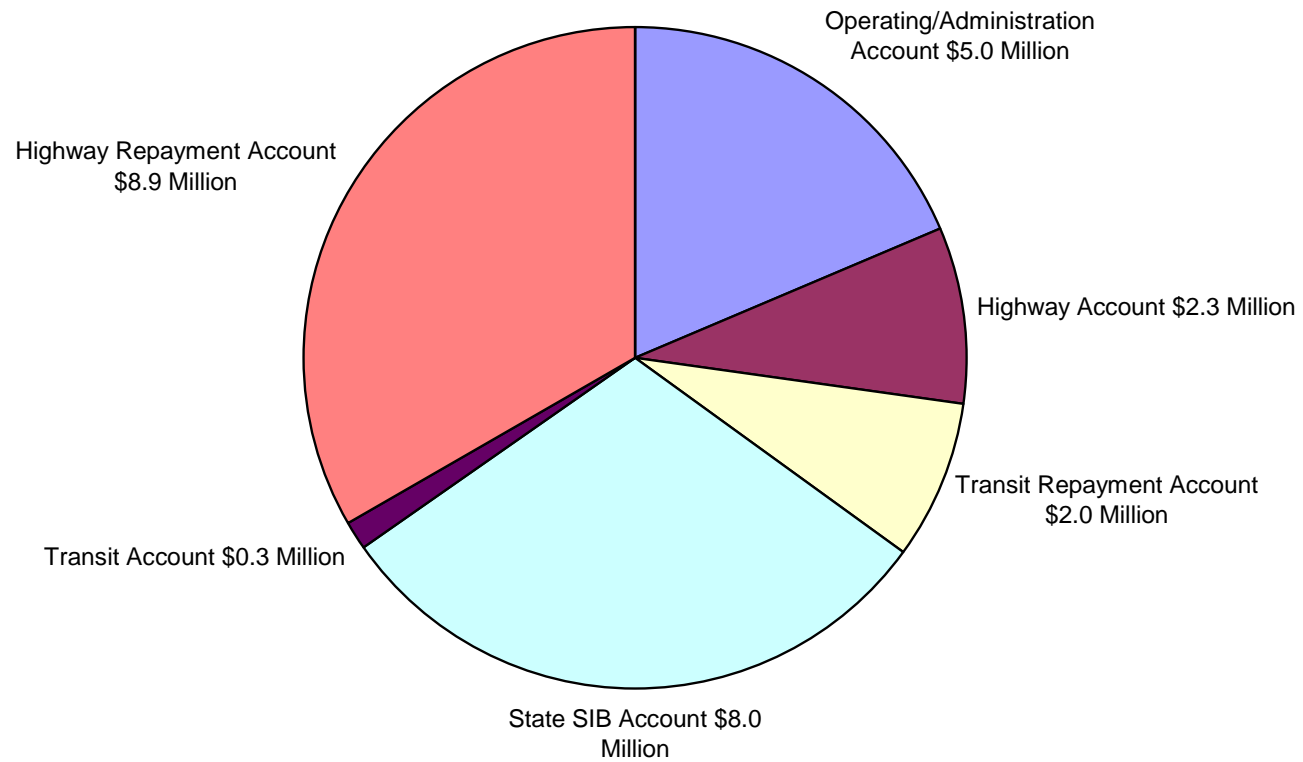
- iii. 645-02 – Transit Account: This account is used for loans for Transit Capital Projects that are federal aid eligible. It carries federalization requirements.
Balance on 09/30/2011 \$347,285.96

- 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 09/30/2011 \$2,033,475.69

- 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 09/30/2011 \$8,044,332.53

- vi. 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 and Title 49 (United States Codes Title 23 and 49 respectfully) purposes. It does not carry federalization requirements.
Balance on 09/30/2011 \$8,865,063.21

**C. OTIB Balances September 30, 2011
\$26.5 Million Total**

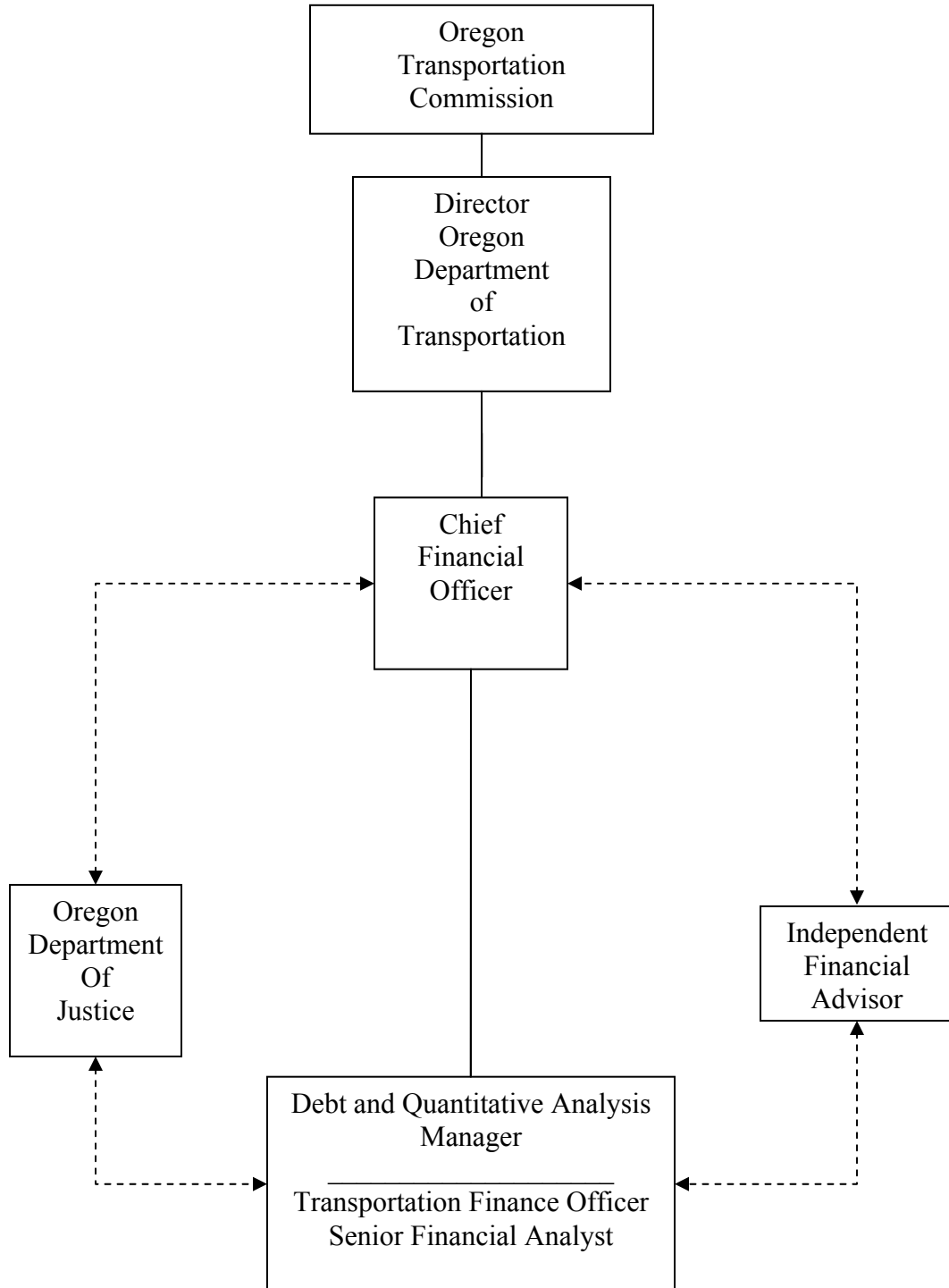


4. Note

This Annual Report contains loan summaries for loans that closed during the Federal Fiscal Year (FFY) 2011 (October 2010 – September 2011). 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 2011

During FFY 2011 the OTIB originated three loans.

- a. **Loan No. 0042:** On November 11, 2010, a loan of \$444,800 was made to the City of Portland/Parks and Recreation Department to perform a study of the North Portland Willamette Greenway Trail.
 - i. The project consists of a planning study from the North Portland Greenway Trail, which is approximately 10.4 miles long and extends from Eastbank Esplanade and the Steel Bridge in downtown Portland to Kelley Point Park in North Portland. The study will focus on sites with topographic and land ownership issues and propose a future alignment.
 - ii. Terms: A loan for \$444,800 @ 1.00% for 3 years.
- b. **Loan No. 0043:** On August 25, 2011, a loan of \$85,000 was made to the City of Mitchell for water line relocation.
 - i. ODOT is replacing the Mitchell Access Bridge which will require the City to relocate its water line that is attached to the bridge. The City will temporarily move the water line and then move it back to the bridge. Mitchell is a Distressed Community and is eligible for discounted loan terms.
 - ii. Terms: A loan of \$85,000 @ 0% for 30 years.
- c. **Loan No. 0044:** On August 25, 2011, a loan of \$1,500,000 was made to Benton County for the County's Reservoir Avenue Realignment Project.
 - i. Benton County will realign Reservoir Avenue in Corvallis so that it intersects 53rd Street north of the current intersection. The realignment also requires about one mile of new road to be constructed.
 - ii. Terms: A loan of \$1,500,000 @ 2.10% for 10 years.

**7. Active Portfolio
as of September 30, 2011**

Loan No.	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Maturity Date	Outstanding Loan Balance
0018	Tillamook County	Sand Lake-Galloway Road Improvements	06/28/00	\$1,250,000	0.50%	07/01/20	\$227,743.36
0023	Tillamook County Transportation District	Transit Facility ⁽¹⁾	02/04/03	750,000	4.00%	06/01/23	508,512.63
0024	City of Phoenix	I-5; Fern Valley	05/29/03	1,000,000	4.00%	05/01/13	32,593.60
0025	City of Scappoose	Crown Z Road	08/28/03	625,000	4.00%	01/02/19	357,590.28
0026	City of Jacksonville	Hwy 238; Other Improvements	10/03/03	1,145,000	4.00%	08/01/15	512,091.87
0027	City of Nyssa	Snake R. Bridge Waterline Relocation	04/26/04	125,500	0.00%	06/01/14	8,562.00
0029	Clackamas County	Sunnyside Rd Widening I-205 to 172nd Av	05/25/05	12,250,000	3.75%	11/15/20	8,611,243.79
0031	Multnomah County	223rd Sandy Blvd. Bridge St Undercrossing	10/07/08	4,600,000	3.98%	09/01/25	3,163,407.34
0036	Cascade Sierra Solutions	SmartWay Upgrade	02/26/08	2,985,179	5.00%	12/01/13	1,519,412.69
0038	Clackamas County	5 Projects	08/05/08	10,000,000	3.65%	11/15/24	9,083,568.27
0040	City of Pendleton	Airport Connector Rd Barnhart Rd Property	04/22/09 06/15/11	6,500,000 1,512,613	4.80%	01/01/30 07/01/18	784,062.65
0041	Athey Creek CF	I-205 Stafford Rd, Ek Rd Intersection	08/24/09	950,000	5.00%	01/01/21	992,744.00
0042	City of Portland Parks and Recreation	N. Portland Willamette Greenway Trail Study	11/11/10	444,800	1.00%	01/01/14	0 ⁽²⁾
0043	City of Mitchell	US26 Bridge Creek Water Line Relocation	08/25/11	85,000	0.00%	08/20/41	0 ⁽²⁾
0044	Benton County	Reservoir Avenue Re-alignment	08/25/11	1,500,000	2.10%	01/20/22	319,149.91
		Totals		\$39,223,092	3.50%		\$26,120,682.39

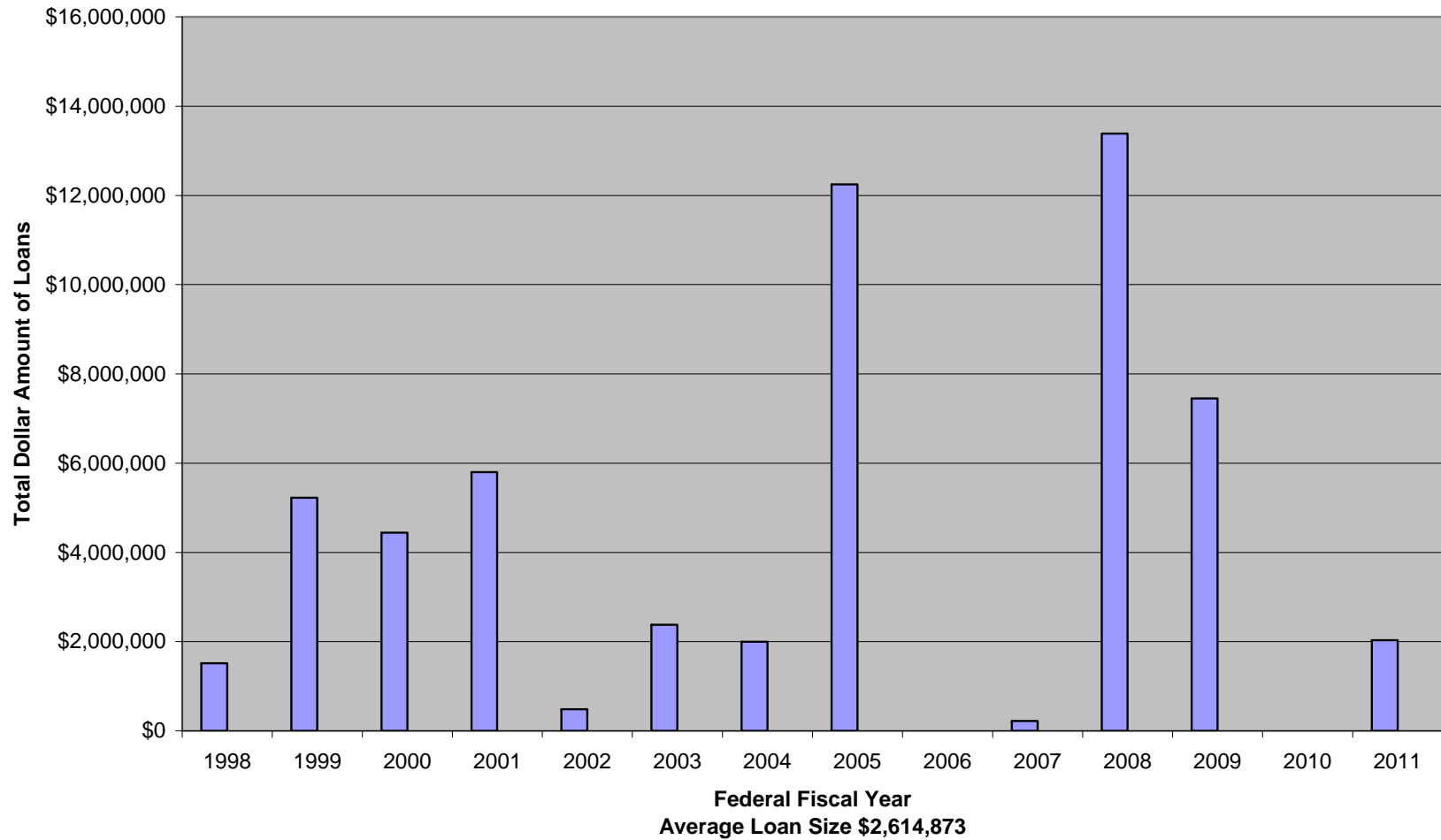
(1) The loan is secured by lease revenues, timber revenues and the general fund.

(2) The borrower has not yet drawn on the loan.

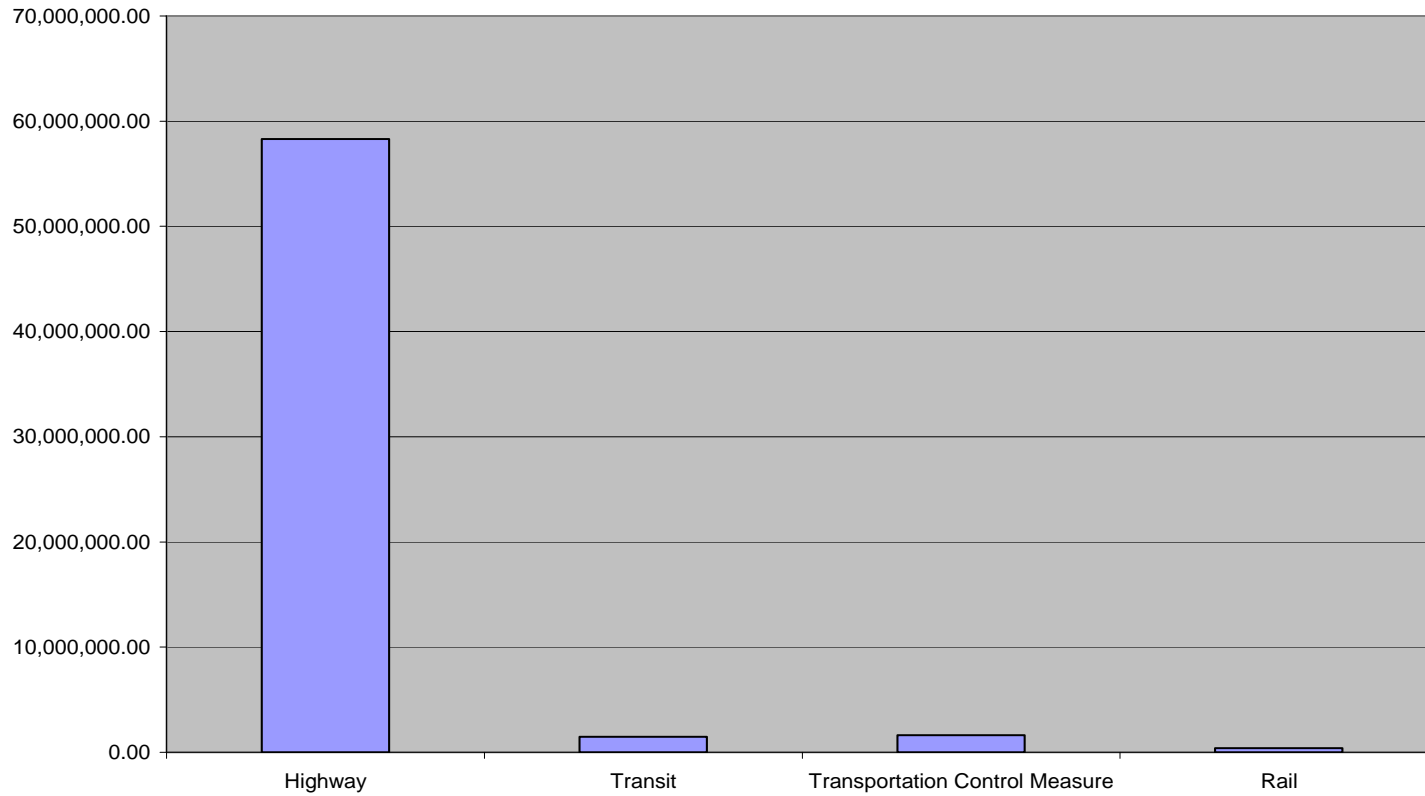
**8. Paid Portfolio
as of September 30, 2011**

Loan No.	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Scheduled Maturity Date	Paid Date
0003	Lane Transit District	Signal Priority Systems	5/15/1998	\$781,000	4.180%	01/01/04	07/21/00
0009	City of Independence	Ash Creek Bridge Replacement	4/1/1998	735,000	4.000%	07/01/00	01/31/99
0011	Sunset Empire Transportation	Intermodal Center Design	8/26/1999	225,000	3.610%	12/31/03	06/04/04
0012	Washington County	Murray Boulevard Bridge Widening	6/30/1999	4,400,000	3.610%	06/30/03	06/18/03
0015B	Port of Hood River	Interstate Bridge Lift Controls	8/3/1999	600,000	3.560%	09/03/03	04/23/03
0016B	City of Portland	Landslides Repair	2/29/2000	690,000	4.180%	05/01/04	06/28/01
0017	City of Portland	Lovejoy Ramp Replacement	3/20/2000	2,500,000	4.320%	06/30/04	06/04/04
0019	ODOT (State Highway Fund)	SW 18 th Avenue Ontario	4/17/2001	5,500,000	3.500%	03/30/03	09/30/02
0021	ODOT (State Highway Fund)	Highway 99E Signal Harrisburg	1/30/2002	375,000	4.000%	10/15/06	09/30/02
0037	ODOT Rail	MMTF Study	4/14/2008	400,000	0.000%	04/14/10	06/26/09
0033	City of Turner (State Highway Fund)	3 rd and Denver	3/8/2007	222,334	4.110%	01/01/29	11/23/09
0028	Rogue Valley Transp. (645-03 Fund)	Purchase Equipment	7/30/2004	725,000	4.000%	12/01/14	03/05/10
0020	City of Rainier	West "B" Street	5/11/2001	302,000	4.000%	05/11/11	05/11/11
0022	City of Rainier	West "B" Street	4/12/2002	113,000	4.000%	05/11/11	05/11/11
		Total		\$17,568,334			

**9. OTIB Loans
as of September 30, 2011**



**10. OTIB Loans by Mode
as of September 30, 2011**



“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
as of September 30, 2011**

Loan No.

0018	Borrower:	Tillamook County
	Project Description:	Sand Lake – Galloway Road Improvements
	Loan Amount:	\$1,250,000
	Outstanding Balance:	\$338,775.26
	Terms:	0.5% for 15 years. Annual payments of \$38,600.00
0023	Borrower:	Tillamook County Transportation District
	Project Description:	Transit Facility
	Loan Amount:	\$750,000
	Outstanding Balance:	\$611,585.51
	Terms:	4.0% for 20 years. Monthly payments of \$4,545.00
0024	Borrower:	City of Phoenix
	Project Description:	I-5: Fern Valley Exit
	Loan Amount:	\$1,000,000
	Outstanding Balance:	\$373,025.31
	Terms:	4.0% for 10 years. Annual payments of \$123,291.00
0025	Borrower:	City of Scappoose
	Project Description:	Crown Z Road
	Loan Amount:	\$625,000
	Outstanding Balance:	\$473,172.36
	Terms:	4.0% for 15 years. Annual payments of \$56,213.00
0026	Borrower:	City of Jacksonville
	Project Description:	Hwy 238
	Loan Amount:	\$1,145,000
	Outstanding Balance:	\$909,109.70
	Terms:	4.0% for 10 years. Annual payments of \$141,168.00

Loan No.

0027	Borrower:	City of Nyssa
	Project Description:	Snake River Bridge
	Loan Amount:	\$125,000
	Outstanding Balance:	\$52,662.00
	Terms:	0.0% for 10 years. Semi-annual payments of \$6,300.00
0029	Borrower:	Clackamas County
	Project Description:	Sunnyside Road Widening 1-205 to 172 nd Avenue
	Loan Amount:	\$12,250,000
	Outstanding Balance:	\$10,857,724.67
	Terms:	3.75% for 15 years. Annual payments of \$66,343.79
0031	Borrower:	Multnomah County
	Project Description:	223 rd Sandy Blvd. Bridge Street Undercrossing
	Loan Amount:	\$4,600,000
	Outstanding Balance:	\$4,600,000
	Terms:	3.98% for 15 years. Annual payments of \$413,151.00
0036	Borrower:	Cascade Sierra Solutions
	Project Description:	<i>Smartway</i> Upgrade
	Loan Amount:	\$3,000,000
	Outstanding Balance:	\$1,648,344.39
	Terms:	5.0% for 5 years. Monthly payments of \$56,614.00
0038	Borrower:	Clackamas County
	Project Description:	172 nd 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:	3.75% for 15 years. Annual payments of \$566,343.79

Loan No.

0040	Borrower:	City of Pendleton
	Project Description:	Airport Connector Road (Barnhart Road) Project
	Loan Amount:	\$6,500,000
	Outstanding Balance:	\$251,380.71
	Terms:	4.80% 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:	\$950,000.00
	Terms:	5.0% for 10 years. Monthly payments of \$12,027.00
0042	Borrower:	City of Portland/Parks and Recreation
	Project Description:	North Portland Willamette Greenway Trail Study
	Loan Amount:	\$440,800
	Outstanding Balance:	The Borrower has not yet drawn on the loan.
	Terms:	1.0% for 3 years. Interest only for two years.
0043	Borrower:	City of Mitchell
	Project Description:	US26 Bridge Creek Water Line Relocation
	Loan Amount:	\$85,000
	Outstanding Balance:	The borrower has not yet drawn on the loan
	Terms:	0.0% for 30 years. Annual payments of \$2,833.00
0044	Borrower:	Benton County
	Project Description:	Reservoir Avenue Realignment
	Loan Amount:	\$1,500,000
	Outstanding Balance:	\$319,150.00
	Terms:	2.1% for 10 years. Annual payments of \$167,865.00

**12. OTIB Paid Portfolio Characteristics
as of September 30, 2011**

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

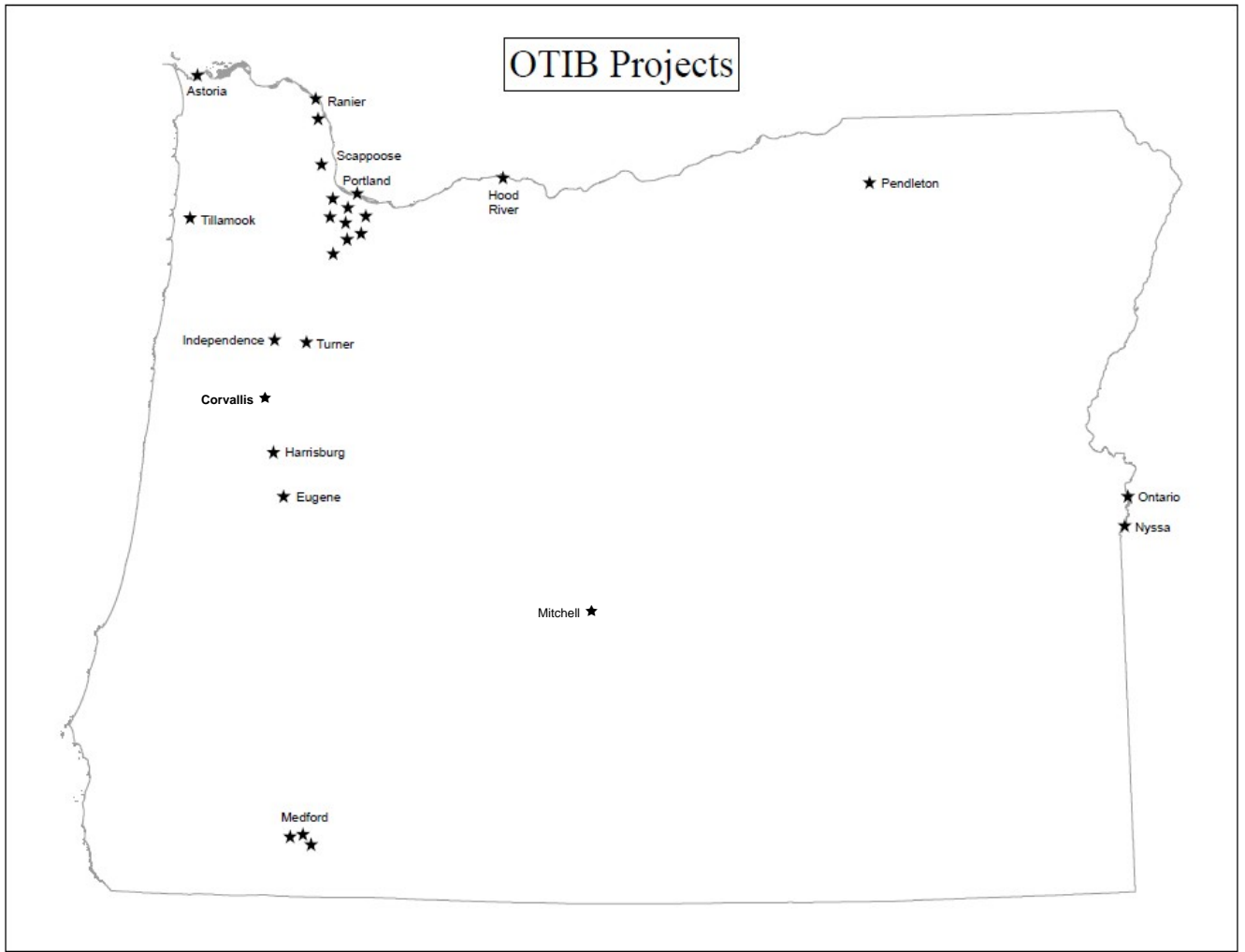
Loan No.

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 th Avenue Ontario
	Loan Amount:	\$5,500,000
	Terms:	3.50% for 2 years
	Paid Date:	06/30/2002
0020	Borrower:	City of Rainier
	Project Description:	West "B" Street
	Loan Amount:	\$302,000
	Terms:	4.0% for 10 years
	Paid Date:	05/11/2001
0022	Borrower:	City of Rainier
	Project Description:	West "B" Street
	Loan Amount:	\$113,000
	Terms:	4.0% for 9 years
	Paid Date:	05/11/2011
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
0028	Borrower:	Rogue Valley Transportation District
	Project Description:	Purchase Equipment
	Loan Amount:	\$725,000
	Terms:	4.0% for 10 years
	Paid Date:	03/05/2010

Loan No.

0033	Borrower:	City of Turner
	Project Description:	3 rd and Denver
	Loan Amount:	\$222,334
	Terms:	4.11% for 20 years
	Paid Date:	11/23/2009
0037	Borrower:	ODOT Rail
	Project Description:	Connect Oregon II Multi Modal Study
	Loan Amount:	\$2,000,000
	Terms:	0.00% for 3years. Payments at will.
	Paid Date:	06/26/2009

13. OTIB Projects



14. OTIB Financial Statements

State of Oregon
Department of Transportation
Balance Sheet
Oregon Transportation Infrastructure Bank
June 30, 2011

Assets	
Cash and Cash Equivalents	\$ 25,679,071
Loans Receivable	26,270,092
Other Accounts Receivable	250
Total Assets	\$ 51,949,413
 Liabilities And Fund Balances	
<i>Liabilities:</i>	
Accounts Payable	\$ 1,950
Advances from Other Funds	17,560,973
Total Liabilities	17,562,923
 <i>Fund Balances:</i>	
Restricted Fund Balance --	
Enabling Legislation	34,386,490
Total Fund Balances	34,386,490
 Total Liabilities and Fund Balances	 \$ 51,949,413

State of Oregon
Department of Transportation
Statement Of Revenues, Expenditures and Changes in Fund Balances
Oregon Transportation Infrastructure Bank
For the Fiscal Year Ended June 30, 2011

Revenues			
	Charges for Services	\$	950
	Investment Income		1,208,096
	Total Revenues		1,209,046
 Expenditures			
	Personal Services		81,386
	Services and Supplies		7,427
	Loan Interest		652,140
	Total Expenditures		740,953
	 Excess (Deficiency) of Revenues Over (Under) Expenditures		468,093
	 Net Change In Fund Balances		468,093
	Fund Balances --Beginning		33,918,397
	Fund Balances -- Ending	\$	34,386,490