

OR 22: Salem Center Street Bridge Seismic Retrofit

Phases 1 and 2

Preliminary Finance Plan

September 15, 2025

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Introduction

In 2025, the Legislature included a budget note in ODOT's budget (SB 5541) that directed ODOT to report to the Legislature on the project's finance plan. This note states the following.

Budget Note: State Highway 22 and Center Street Bridge Finance Plan

The Oregon Department of Transportation is directed to develop a finance plan to complete the State Highway 22 and Center Street Bridge seismic retrofit. The plan should include, at a minimum, a description of the project scope, plans for phasing of the project, a detailed proposed schedule for all phases, a cost estimate for completion of all phases of the project, and the sources of funding that can be used to complete the project, including any debt needed to complete the project and the sources of funds that could be used to pay debt service. The Department shall submit the finance plan and report to the Joint Committee on Transportation no later than September 15, 2025.

This document represents the preliminary Finance Plan for the OR22: Center Street Bridge Seismic Retrofit Project (Project) in Salem, Oregon. This project is named by the State Legislature in Oregon House Bill 2017 (HB2017), which allocated \$60M of funding for the Project, and was slated to begin the initial design phase of the project in 2025.

This preliminary Center Street Bridge Finance Plan has been prepared in accordance with the requirements of the HB 5541 budget note and includes both existing funding and future funding needed to complete the entire project. The finance plan outlines a funding strategy that is contingent upon future decisions by the Legislature and the Oregon Transportation Commission (OTC). It does not constitute a commitment of funds or guarantee their availability, as the OTC must approve final project finance plans and allocations of funding in the Statewide Transportation Improvement Program (STIP). The final version of the finance plan will be submitted to the OTC in December 2025 and will include additional details. ODOT commits to submit the final version of this finance plan to the Joint Committee on Transportation once it has been accepted by the OTC.

The project will deliver seismic resiliency of the Willamette River crossing in two phases. Phase 1 will **retrofit** the main span and east ramps of the bridge. Phase 2 will **replace** the existing west end ramps with new seismically resilient structures because the existing ramps are not conducive to structural retrofit. Phase 1 work will include development of a post-Cascadia earthquake recovery and temporary emergency reconnection plan for the west side of the bridge, if needed, between the completion of Phase 1 and the construction of Phase 2.

This delivery method will allow ODOT to fund and build Phase 1 within the 2024 -2027 Statewide Transportation Improvement Plan (STIP) cycle and to construct the new west end ramps in a subsequent funding cycle, following the completion of Phase 1 construction.

Project Description

The Center Street Bridge carries eastbound traffic into downtown Salem and is one of two highway bridge crossings over the Willamette River in Salem. These river crossings are seismically vulnerable and will be inoperable after a major seismic event. In 1985, ODOT replaced the main

span of the Center Street Bridge, making it a viable candidate for seismic retrofit. A retrofit would provide a functional vehicle crossing for two-way traffic in the event of a major earthquake.

Phase 1 will upgrade the main span and east ramps of the Center Street Bridge with criteria designed to withstand the Cascadia Seismic Event. These improvements include:

- Achieve the seismic design criteria through a series of structural upgrades including replacement of the substructure, additional deep foundations, adding columns, enlarging columns and beams and other substructure improvements.
- Develop a Design Study for west end ramps.
- Develop an Emergency Response and Recovery Plan to quickly reconnect the west end in the event an earthquake occurs prior to west end ramp reconstruction.

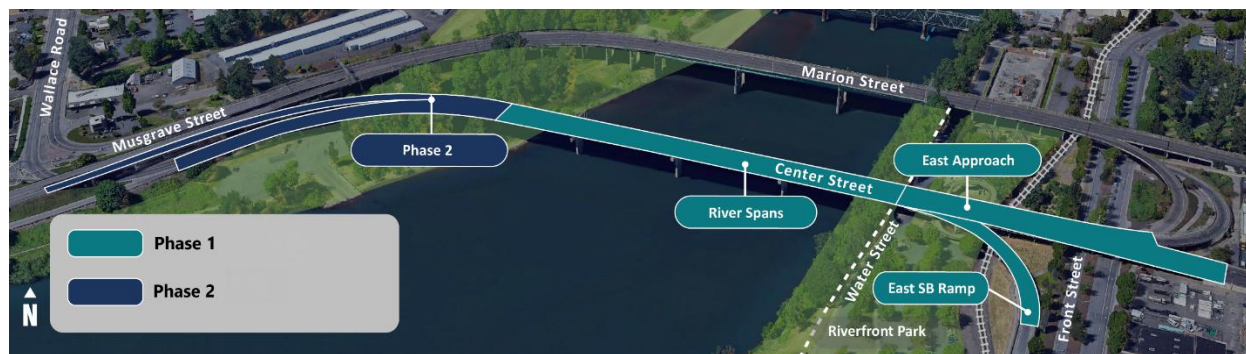
The scope of Phase 2 will be refined through the design study completed during Phase 1 but will include replacing the existing west end ramps and any associated foundation improvements for seismic resiliency.

Needs and Objectives

The Center Street Bridge is designated as an Urban Principal Arterial and carries 45,000 average daily trips per day, spanning four eastbound lanes. This is the only Urban Principal Arterial crossing over the Willamette River within a 25-mile radius, supporting a critical route connecting the Oregon Coast to the Willamette Valley. The proposed Project will improve the Center Street Bridge to withstand a major earthquake.

Project Location and Limits

The Center Street Bridge Project is in Marion County, within the City of Salem. The bridge is 2,200 feet long and crosses over the Willamette River. The two phases of the project are identified in the graphic below.



Project Schedule

This Preliminary Finance Plan includes all phases of construction and estimated completion dates. Advanced investigation has not yet been completed for Phase 2, which will yield more confidence in cost and schedule reliability upon completion.

Phase 1 Schedule

Phase 1 of the Project, as shown in Table 1, is scheduled to begin construction in summer 2026 and to be substantially complete by December 2029. The project will span over three years due to the complex sequencing required to complete in-water work for new and retrofitted foundations and piers, to stage and deliver structural retrofit of the existing structure while remaining open to traffic and coordination for the City of Salem's water line relocation.

- First Year – City of Salem waterline relocation, constructing work platforms, and cofferdam installation. In addition to construction, ODOT will develop an emergency response plan to identify west end connectivity in the event the Cascadia event occurs prior to completion of phase 2 construction.
- Second Year – Start east side bridge construction and continue in-water work, such as drilling foundations, during the summer months.
- Third Year – Continue east side construction and main span retrofit, finalize in-water work.
- Final Year – Complete project and reconstruct parking lot to mitigate construction impacts.

Table 1: Phase 1 Project Schedule

Project Schedule	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design								
Permitting	★ NEPA							
Right of Way								
RR Approval								
Bid & Award								
Construction					Continues until late 2028 or mid 2029 →			

Phase 2 Schedule

Phase 2 will begin with a design study in 2026. Following the outcomes of the design study, Phase 2 design will be initiated. Phase 2 construction is contingent upon funding availability and is anticipated to follow the completion of Phase 1. The Phase 2 schedule is dependent on funding but is consistent with the Regional Transportation Plan fiscally constrained years, with the design study beginning in 2026 and construction projected for funding in the 2033-2035 STIP cycle. Phase 2 is expected to have a construction duration of three to four years due to the complexity of construction sequencing to replace the existing structures while limiting traffic closures during construction.

Project Cost

All project costs are presented as year-of-expenditure (YOE) dollars. YOE dollars are equal to current dollars escalated to the midpoint of expenditure for each element of the Project.

The overall costs assume a level of reasonableness in the cost estimate, risks, and schedule.

Phase 1 Cost

Phase 1 development included a cost risk analysis and a constructability review. These were used to identify risks and provide a market variability analysis for cost estimating.

The following work was done in cooperation with FHWA as part of the development of these cost estimates:

- Multiple risk workshops were conducted with mitigation development and tracking.
- Draft and final engineer's estimate.
- Draft and final independent estimate with constructability review with mitigation developments.
- Project team constructability review with mitigation developments.

Phase 1 is estimated to cost up to a total of \$200M, as summarized below:

- Preliminary and Final Design: \$13,000,000
- Right of Way: \$2,000,000
- Other (construction material acquisition): \$2,000,000
- Construction: \$183,000,000 (2028 dollars)

Construction costs include biddable items that will be part of the construction contract, construction engineering, project management, and contingencies for construction-phase risks.

Phase 1 could be fully funded for construction pending action by the Oregon Transportation Commission anticipated in November 2025. The explanation of Project Funding is described in the section below.

Phase 2 Cost

Phase 2 will include a cost risk analysis to identify risks and provide a market variability analysis to ensure more accurate cost estimating. Once preliminary design begins, a constructability review will occur to identify cost savings measures and efficiencies.

Phase 1 will conduct a design study to narrow the scope of design for Phase 2 and complete Advanced Investigation to understand site and soil conditions for west end ramp replacement. The cost estimate for advanced investigation analysis is \$2,000,000.

When before the Joint Committee on Transportation in early 2025, ODOT presented a cost range of \$130M to \$190M for Phase 2 west end ramp replacement in 2028 dollars. Extrapolated at a 5% inflation rate, this estimate ranges between \$185M to \$270M if the midpoint of construction occurs in 2035. Since Advanced Investigation is anticipated to begin in 2026, a range for advanced

investigation work is not included in the estimate below. As further analysis is conducted, or funding is obtained sooner, these costs will be refined.

- Advanced Investigation: \$2,000,000
- Preliminary and Final Design: \$10,000,000 to \$13,000,000
- Right-of-Way: \$3,000,000 to \$5,000,000
- Construction: \$170,000,000 to \$250,000,000 (2035 dollars at construction midpoint)

Following completion of the west end ramp design study, Phase 2 will be included in ODOT's Capital Investment Plan (CIP) upon development and in preparation for STIP programming.

Project Funds

Revenues to support transportation investments within the Project will come from a variety of public, tax-based sources. ODOT anticipates using HB 2017 Bridge/Seismic funds for Phase 1 and Phase 2, including issuance of bonds repaid by these funds.

The funding depicted within this preliminary finance plan is itemized in the 2024-2027 STIP. Table 2 presents the total project funding for Phase 1, which consists of HB 2017 Named Project funding and HB 2017 Bridge/Seismic Funding. Table 3 presents the total anticipated project funding for Phase 2.

Table 2: Total Project Funding for Phase 1

Phase	Funding Resp	STIP	Year	Total Est/Act Amt	Fed Est/Act Amt	State Est/Act Amt	Local Est/Act Amt
PE	HB2017 Named Projects	2021-2024 STIP	2021	10,000,000	0	10,000,000	0
	HB2017 Named Projects	2024-2027 STIP	2025	3,000,000	0	3,000,000	0
	PE Totals			13,000,000	0	13,000,000	0
RW	HB2017 Named Projects	2021-2024 STIP	2025	2,000,000	0	2,000,000	0
	RW Totals			2,000,000	0	2,000,000	0
OT	HB2017 Named Projects	2024-2027 STIP	2025	2,000,000	0	2,000,000	0
	OT Totals			2,000,000	0	2,000,000	0
CN	HB2017 Bridge Seismic	2024-2027 STIP	2025	40,000,000	0	40,000,000	0
	HB2017 Named Projects	2024-2027 STIP	2025	43,000,000	0	43,000,000.00	0
	Bridge/Seismic Bonding	2024-2027 STIP	2025	100,000,000	0	100,000,000.00	0
	CN Totals			183,000,000	0	183,000,000	0
	Grand Totals			200,000,000	0	200,000,000	0

Table 3: Total Project Funding for Phase 2

Phase	Funding Resp	STIP	Year	Total Est/Act Amt	Fed Est/Act Amt	State Est/Act Amt	Local Est/Act Amt
AI	Bridge/Seismic Bonding	2024-2027 STIP	2026	2,000,000	0	2,000,000	0
PE	Bridge/Seismic Bonding	2027-2030 STIP	2030	10,000,000 to 13,000,000	0	10,000,000 to 13,000,000	0
RW	Bridge/Seismic Bonding	2030-2033 STIP	2031	3,000,000 to 5,000,000	0	3,000,000 to 5,000,000	0
CN	Bridge/Seismic Bonding	2033-2037 STIP	2035	170,000,000 to 250,000,000	0	170,000,000 to 250,000,000	0
Grand Totals				185,000,000 to 270,000,000		185,000,000 to 270,000,000	0

Financing Issues

The Project could be financed using a combination of cash and bonding and would prioritize the use of available cash on hand, bonding as necessary to complete the project. Bond authority will require legislative approval through the biennial bond bill. The 2025-2027 bond bill has granted ODOT sufficient authorization to issue bonds for the remaining costs of Phase 1. ODOT will seek bonding authority for Phase 2 in the odd-year legislative session immediately preceding the time at which bond proceeds are required. Debt service on bonds will be paid using HB 2017 Bridge/Seismic funds. Debt service amounts will depend on the total amount of bonds issued, interest rates, bond maturity dates, and other factors.

Risk and Response Strategies

ODOT has committed to the implementation of a comprehensive risk identification and risk management process for statewide mega-projects, defined by ODOT as any project over \$100 million, and the Center Street Project qualifies as such a project.

A Value Engineering (VE) study was conducted in 2023 by consultant Value Management Strategies (VMS), a subcontractor of our project consultant team, DOWL. The workshop included discussion and evaluation of the project costs and components known at the time, milestone schedule assumptions and adjustments, risk quantifications, and schedule and cost impacts of the identified risks. The VE Study was conducted on all phases of the Project but suggested a phased approach due to the costs of the project and available budget.

As a result, the team recommended the current phased approach, which would retrofit the main river span, main east approach span, and the eastbound to southbound ramp to withstand a seismic event as Phase 1. The west approaches were separated into Phase 2 due to the condition of the ramps, outdated functionality, and excessive replacement costs.

As part of this Project, a risk register was developed. To successfully implement the risk response strategies previously identified, the risk register involves:

- Identifying risk owners to take responsibility for key risk factors and associated risk response strategies.

- Identifying the monitoring frequency for risk updates and feedback on the effectiveness of ongoing risk response strategies.
- Providing updates to the risk assessment model and updated results at key project milestones and/or when baseline cost and schedules are updated.
- Providing continuous updates to the risk register which documents and reports the Project's risk management progress.

ODOT is committed to the continual tracking, monitoring, and control of project risk factors and will closely monitor the risk register. Regular updates to the risk register will occur to keep the estimated cost and schedule range current. This also serves to track the effectiveness of risk management efforts. The outcomes from the risk management process can be used for additional Project decision support, such as financial planning or implementation for risk allocation.