

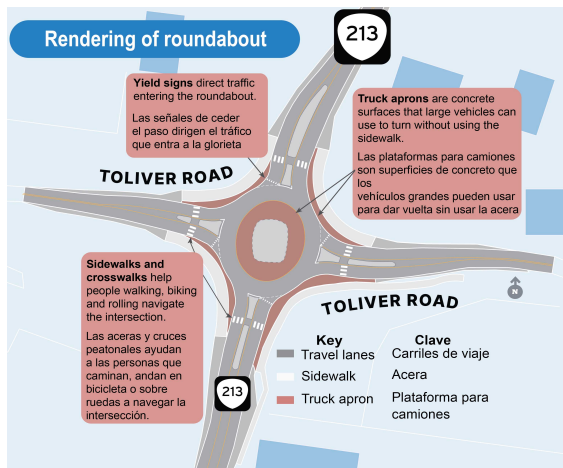


Oregon Annual Transportation Infrastructure Bank

ANNUAL REPORT FOR FHWA

Submitted to:
**Federal Highway Administration
 and
 Federal Transit Administration**

Submitted by:
**Oregon Department of Transportation
 December 31, 2022**



Introduction

We are pleased to present the Oregon Transportation Infrastructure Bank (OTIB) 2022 Annual Report. This annual report encompasses all OTIB activity, including, but not limited to the State Infrastructure Bank (SIB). The Cooperative Agreement executed 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.

The following subjects are covered in this Annual Report:

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History

In 1995, Congress passed the National Highway System Designation Act (NHS Act) which established the State Infrastructure Bank (SIB) pilot program. Designed to complement traditional transportation funding programs, SIBs give states significantly increased flexibility in project selection and financial management. Much like a private bank, a SIB uses seed capitalization funds to get started and offers customers a range of loans and credit enhancement products.

On April 4, 1996, the Secretary of the United States Department of Transportation designated Oregon as one of the ten states eligible to operate a SIB under Section 350 of the NHS Act. The ten states included: Arizona, California, Florida, Missouri, Ohio, Oklahoma, Oregon, South Carolina, Texas, and Virginia. The Oregon Transportation Commission established the Oregon Transportation Infrastructure Bank (OTIB) to manage the pilot SIB, and allocated \$10 million to the SIB highway account at its May 22, 1996 meeting. The \$10 million consisted of approximately \$9 million in federal funds matched with \$1 million in state highway funds. The Commission also approved the formation of a SIB transit account to be funded at a later date.

The Cooperative Agreement between the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), of the United States Department of Transportation (US DOT) and the Oregon Department of Transportation (ODOT) was signed on August 20, 1996. In September 1996, Congress passed additional SIB legislation that enabled the US DOT to designate additional qualified states to participate in the SIB pilot program. Twenty-nine (including two multi-state applications) new states were selected to participate in the SIB pilot program on June 19, 1997.

In the FFY 1997 Appropriations Act, Congress approved the allocation of \$150 million in federal general revenue funds for SIB capitalization. The Secretary of Transportation awarded OTIB \$5.51 million of this amount using a formula that provided a minimum allocation. These funds increased the capital available in the SIB highway account and provided an initial capitalization for the SIB transit account.

The 69th Oregon Legislative Assembly (1997) passed House Bill 2097 (Chapter 679, Oregon Laws 1997). The bill established the Oregon Transportation Infrastructure Fund (to be managed by OTIB) and authorized issuance of up to \$200 million of revenue bonds. To date, no OTIB revenue bonds have been issued by ODOT. The legislation further defined transportation projects to include projects for highway, transit, rail, and aeronautics capital infrastructure, bicycle and pedestrian paths, bridges and ways, and other facilities that facilitate the transportation of materials, animals, or people. On July 28, 1997, Governor Kitzhaber signed House Bill 2097 into law. The law took effect October 4, 1997.

Operational and management support for OTIB is provided by ODOT's Budget, Economic and Debt Services Section.

Positions directly involved in the day-to-day operation of the OTIB include: the Chief Financial Officer, the Budget, Economic and Debt Services Manager, and the Senior Fiscal Analyst

assigned to the bank. Other ODOT involvement in the lending process includes participation from ODOT Regional offices, ODOT Public Transportation Division and the Oregon Transportation Commission. The Department retains Public Resource Advisory Group as financial advisor to OTIB, and the law firm Orrick, Herrington, & Sutcliff LLP as bond counsel. The Oregon Department of Justice provides general legal services to OTIB.

Goals and Objectives

ODOT's mission is to provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive. The mission of OTIB is to provide loans and other financial assistance to improve transportation infrastructure in Oregon.

To accomplish this mission, ODOT operates OTIB as a self-sustaining, growth-oriented fund. OTIB ensures projects satisfy appropriate federal, state and local planning and programming requirements.

OTIB allows ODOT to:

- Leverage federal and non-federal transportation funds;
- Accelerate the development of planned projects;
- Improve communities' ability to meet their own transportation needs;
- Encourage development of revenue generating projects; and
- Facilitate non-traditional projects such as public-private partnerships (PPP).

Leverage Federal and Non-Federal Transportation Funds

Leveraging state and federal funds through OTIB is a component of ODOT's long-term investment strategy to close the gap between needed and available funding. ODOT uses financial assistance provided by OTIB to encourage additional private and local investment to leverage federal and non-federal funds. This leveraging may involve:

- *Recycling Funds* - using loan repayments to provide financial assistance to future projects;
- *Attracting Non-Traditional Sources of Capital* - participation by private project sponsors through development impact fees, user fees, public-private partnerships, etc., in-kind donations such as infrastructure improvements associated with development activity, right-of-way donations etc.;
- *Generating Investment Income* - interest earnings on funds held in OTIB further increases the available resources; and
- *Issuing Debt* - using OTIB's portfolio of loan repayments, and/or each borrower's apportionment of the State's Highway User Tax revenues as security for new debt.

Accelerate Projects

OTIB funding may accelerate projects in the planning process. For example, an OTIB loan may be used to accelerate a project currently programmed for a future year in the Statewide Transportation Improvement Plan.

Promote Partnership with Local Governments

OTIB may leverage local funds, providing a more stable, predictable source of funding, and enhance local government financing capacity. For example, a local city/county government may form a local improvement district (LID) to develop roads and commercial, industrial and residential sites. Revenues generated through the taxing powers of the LID could be dedicated to transportation infrastructure investments and repayment of OTIB assistance.

Summary of OTIB Operations for Federal Fiscal Year 2022

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

Funds

The OTIB ended federal fiscal year (FFY) 2022 with a cash balance of \$19,895,985. The cash balance consists of funds contained in six accounts:

- 641-01 Administrative / State Highway Fund Account:
Balance: \$496,621
Description: This account is capitalized from loan origination fees and other revenues such as late payment charges. The purpose of this account is to pay administrative expenses, such as Department of Justice fees. These funds carry Oregon constitutional and statutory restrictions.
- 645-01 SIB Highway Account:
Balance: \$5,479,620
Description: The purpose of this account is to originate loans for U.S.C. Title 23 - Highways and U.S.C. Title 49 - Transportation purposes. It was capitalized by an original federal SIB appropriation and matched with State Highway Fund monies. These funds can be used for loans for Title 23 and Title 49 purposes and carry federalization requirements.
- 645-02 SIB Transit Account:
Balance: \$7
Description: The purpose of this account was to originate loans for public transportation projects that are federal aid eligible. It was primarily capitalized through monies received via the “Stripper Well” settlement, and matched with other federal disbursements. Those funds carried federalization requirements and have been fully expended. The account will be rebalanced to \$0 in 2022, and the remaining \$7 is attributed to marginal interest earnings.
- 645-03 SIB Transit Repayment Account:
Balance: \$2,601,655
Description: This account is capitalized from repayments for loans made from the 645-02 Transit Account, which are from non-federal sources. These funds can be used for loans for public transportation projects that are federal aid eligible. Because of the unique circumstances related to the status of the OTIB as a pilot SIB, repayments from the original recapitalization that are from non-federal sources are not subject to full federalization requirements when loaned back out (i.e. recycled).

- 645-04 State Highway Fund Account:
Balance: \$6,420,993
Description: The purpose of this account is to originate loans for road and highway projects. This account was capitalized primarily through a transfer of State Highway Fund monies. These funds carry Oregon constitutional and statutory restrictions.
- 645-05 SIB Highway Repayment Account:
Balance: \$4,897,089
Description: This account is capitalized from non-federal sourced repayments for loans made from the 645-01 SIB account. The purpose of this account is to originate loans for Title 23 and Title 49 purposes. Repayments from the original recapitalization that are from non-federal sources are not subject to full federalization requirements when loaned back out.

FFY 2022 Loans

From its inception to September 30, 2022, OTIB has originated a total of 56 loans. OTIB has 26 loans with an outstanding balance of \$20,955,191.97 in its Active Portfolio, and an additional \$13,679,431 is obligated to borrowers, but has yet to be drawn upon. The remaining 30 loans totaling \$54,675,881 are fully repaid. The average loan size is \$1,765,439.

OTIB originated one loan in Federal Fiscal Year 2022:

- City of Coburg, Street Repair and Maintenance Project

Approved FFY 2023 Loans

As of September 30, 2022, four loans are approved for FFY 2023:

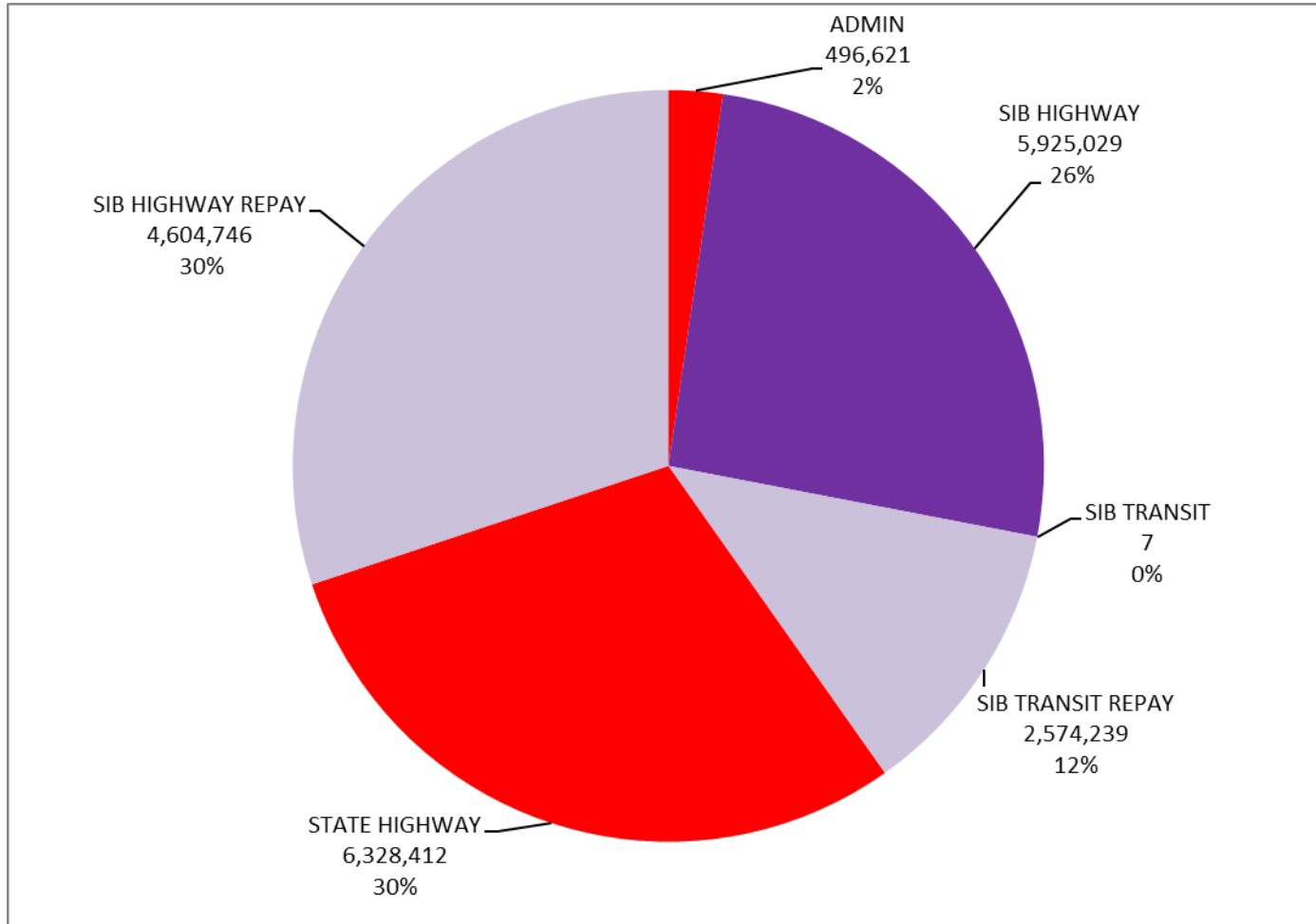
- City of Dundee, Newberg-Dundee Bypass Phase 2
- City of McMinnville, Newberg-Dundee Bypass Phase 2
- Yamhill County, Newberg-Dundee Bypass Phase 2
- City of Newberg, Newberg-Dundee Bypass Phase 2

Pending FFY 2023 Loans

As of September 30, 2022, OTIB staff received one new application to be processed in FFY 2023, and three inquiries for potential projects.

Fund Balances

(As of September 30, 2022)



Outstanding Loans

(As of September 30, 2022)

Loan Count	Loan No.	EA/Subjob	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Maturity Date	Undisbursed Amount	Principal Balance OS	Next Scheduled Payment Date	Scheduled Amount	Frequency	Fund/ Fund Detail
1	0031	OTIB0031/900	Multnomah County	223rd Sandy Blvd.	10/07/08	3,133,515.59	3.98%	09/01/25	-	810,166.69	09/01/23	291,831.57	Annual	645-05
2	0043	OTIBH043/RED	City of Mitchell	US26 Bridge Creek Water	08/25/11	9,147.18	0.00%	09/20/22	-	914.70	09/20/22	914.70	Annual	645-04
3	0045	OTIBH045/RED	City of Chiloquin	Line Replacement	06/01/12	197,584.28	1.00%	01/25/32	-	110,963.48	01/25/23	12,379.00	Annual	645-04
4	0046	OTIBH046/RED	City of Dundee	Newberg-Dundee Bypass Phase 1	07/01/13	315,200.00	2.58%	07/31/37	-	240,631.85	07/01/23	20,373.00	Annual	645-04
5	0047	OTIBH047/RED	City of Dundee	Overlays & Street Improvements	07/01/13	284,000.00	2.58%	01/25/36	-	198,898.50	01/25/23	18,356.00	Annual	645-04
6	0048	OTIBH048/RED	City of McMinnville	Newberg-Dundee Bypass Phase 1	07/01/13	3,209,600.00	2.26%	01/25/36	-	2,294,230.20	01/25/23	201,248.00	Annual	645-04
7	0049	OTIBH049/LAV	Yamhill County	Newberg-Dundee Bypass Phase 1	07/01/13	10,366,640.00	2.26%	07/01/37	-	7,871,681.18	07/01/23	655,259.79	Annual	645-05
8	0050	OTIBH050/RED	City of Newberg	Newberg-Dundee Bypass Phase 1	07/01/13	2,211,200.00	2.58%	01/25/36	-	1,574,746.73	01/25/23	142,916.00	Annual	645-04
9	0051	OTIBH051/RED	City of Rogue River	Overlays & Street Improvements	09/20/13	250,000.00	1.00%	01/15/37	-	206,636.88	01/15/23	12,085.64	Annual	645-04
10	0052	OTIBH052/RED	City of Rogue River	Overlays & Street Improvements	09/20/13	1,350,000.00	3.09%	01/15/37	6,911,757.25	884,753.88	01/15/23	81,638.03	Annual	645-04
11	0054	OTIBH054/PUR	City of Medford	Foothill Road	06/01/15	10,000,000.00	1.61%	05/01/28	-	2,025,389.39	11/01/22	545,335.00	Semi-Annua	645-01
12	0055	OTIBH055/RED	Union County	Palmer Junction Road	01/01/15	767,965.61	2.27%	01/01/33	-	558,392.23	01/01/23	30,491.00	Semi-Annua	645-04
13	0057	OTIBH057/RED	City of Brookings	Railroad Street	08/01/15	650,000.00	2.05%	10/01/28	-	810,646.54	10/01/22	125,255.00	Annual	645-04
14	0058	OTIBT058/LAV	Rogue Valley Transportation District	Purchase of Buses and Equipment	09/01/15	573,000.00	2.42%	10/01/25	-	213,377.70	10/01/22	32,600.00	Semi-Annua	645-03
15	0059	OTIBH059/RED	City of Coos Bay	S. Empire Blvd. Water Line Replacement	03/31/16	404,000.00	1.34%	03/31/26	-	147,771.83	03/31/23	21,651.11	Semi-Annua	645-04
16	0060	OTIBH060/RED	City of North Bend	S. Empire Blvd. Water Line Replacement	03/31/16	404,000.00	1.34%	03/31/26	-	147,771.83	03/31/23	21,651.11	Semi-Annua	645-04
17	0061	OTIBT061/LAV	Tillamook County Transportation District	Building & Facility Renovations	10/01/16	338,516.00	2.04%	10/01/34	-	258,069.02	10/01/22	13,155.22	Semi-Annua	645-03
18	0062	OTIBT062/RED	City of Mosier	Mosier Creek Bridge Replacement	03/01/17	212,265.00	2.80%	02/01/39	-	101,125.39	02/01/23	7,003.02	Semi-Annua	645-04
19	0063	OTIBH063/RED	City of Dundee	Street & Sidewalk Implvements	05/01/17	815,070.00	1.99%	06/01/30	-	661,003.31	12/01/22	45,346.72	Semi-Annua	645-04
20	0064	OTIBH064/RED	City of Sutherlin	Central Avenue Repair and Transformation	07/01/17	505,000.00	1.61%	07/01/30	-	410,372.33	01/01/23	27,438.42	Semi-Annua	645-04
21	0067	OTIBT067/LAV	Curry Public Transit, Inc.	Curry Public Transit, Inc Transit Hub	06/18/19	404,000.00	2.88%	07/01/34	87,566.48	240,153.92	01/01/23	16,837.35	Semi-Annua	645-03
22	0068	OTIBH068/RED	City of Madras	J Street Floodplain Mitigation	09/05/19	2,233,420.00	1.99%	10/01/41	1,385,138.97	789,169.24	04/01/23	70,059.67	Semi-Annua	645-04
23	0069	OTIBH069/LAV	Jefferson County	J Street Floodplain Mitigation	09/06/19	2,233,420.00	1.99%	10/01/41	1,820,468.02	348,325.15	04/01/23	70,059.67	Semi-Annua	645-05
24	0070	Get EA	City of Molalla	Toliver Rd	06/30/20	2,500,000.00	1.22%	10/01/37	2,475,000.00	0.00	tbd	tbd		645-04
25	0071	OTIBT071/LAV	Tillamook County Transportation District	Downtown Trasnit Visitor Center Purchase	05/18/20	50,000.00	1.70%	11/01/32	-	50,000.00	11/01/22	5,479.32	Annual	645-03
26	0072	Get EA	City of Coburg	Street Repair and Maintenance Project	08/23/22	999,500.00	2.52%	09/01/32	999,500.00	0.00	tbd	tbd	Annual	645-04

Repaid Loans

(As of September 30, 2022)

Loan Count	Loan No.	Borrower Name	Project Description	Loan Date	Loan Amount	Interest Rate	Scheduled Maturity Date	Paid Date	Fund/Fund Detail
1	0003	Lane Transit District	Signal Priority Systems	05/15/98	781,000	4.180%	01/01/04	07/21/00	645-02
2	0009	City of Independence	Ash Creek Bridge Replacement	04/01/98	735,000	4.000%	07/01/00	01/31/99	645-01
3	0011	Sunset Empire Transportation	Intermodal Center Design	08/26/99	225,000	3.610%	12/31/03	06/04/04	645-01
4	0012	Washington County	Murray Blvd Bridge Widening	06/30/99	4,400,000	3.610%	06/30/03	06/18/03	645-01
5	0015B	Port of Hood River	Interstate Bridge Lift Controls	08/03/99	600,000	3.560%	09/03/03	04/23/03	645-01
6	0016B	City of Portland	Landslides Repair	02/29/00	690,000	4.180%	05/01/04	06/28/01	645-01
7	0017	City of Portland	Lovejoy Ramp Replacement	03/20/00	2,500,000	4.320%	06/30/04	06/04/04	645-01
8	0019	ODOT (Ontario)	SW 18th Avenue	04/17/01	5,500,000	3.500%	03/30/03	09/30/02	645-01
9	0021	ODOT (Harrisburg)	Highway 99E Signal	01/30/02	375,000	4.000%	10/15/06	09/30/02	645-01
10	0037	ODOT Rail	MMTF Study	04/14/08	400,000	0.000%	04/14/10	06/26/09	645-04
11	0033	City of Turner	3rd and Denver	03/08/07	222,334	4.110%	01/01/29	11/23/09	645-01
12	0028	Rogue Valley Transp.	Purchase Equipment	07/30/04	725,000	4.000%	12/01/14	03/05/10	645-02
13	0020	City of Rainier	West "B" Street	05/11/01	302,000	4.000%	05/11/11	05/11/11	645-01
14	0022	City of Rainier	West "B" Street	04/12/02	113,000	4.000%	05/11/11	05/11/11	645-01
15	0024	City of Phoenix	I-5: Fern Valley	05/29/03	1,000,000	4.000%	05/01/13	12/07/11	645-01
16	0027	City of Nyssa	Snake R. Bridge Water Relocation	04/26/04	125,500	0.000%	06/01/14	01/17/12	645-01
17	0040	City of Pendleton	Airport Connector Rd	04/22/09	1,411,613	4.800%	07/01/16	04/08/13	645-01
18	0044	Benton County	Reservoir Avenue Re-alignment	08/25/11	1,189,408	2.100%	01/20/22	01/26/15	645-05
19	0026	City of Jacksonville	Hwy 238 & Other Improvements	10/03/03	1,145,000	4.000%	08/01/15	07/21/15	645-01
20	0038	Clackamas County	5 Projects	08/05/08	10,000,000	3.650%	11/15/24	04/08/16	645-04
21	0023	Tillamook County Transportation	Transit Facility	02/04/03	750,000	4.000%	06/01/23	10/04/16	645-02
22	0029	Clackamas County	Sunnyside Rd Widening	05/25/05	12,250,000	3.750%	05/15/20	11/17/16	645-04
23	0053	Jackson County	West Jackson LID	04/15/14	770,537	2.300%	01/10/29	12/28/16	645-04
24	0018	Tillamook County	Sand Lake-Galloway	06/28/00	1,250,000	0.500%	07/01/20	05/15/17	645-02
25	0036	Cascade Sierra Solutions	SmartWay Upgrade	02/26/08	2,985,179	5.000%	12/01/13	12/01/13	645-01
26	0025	City of Scappoose	Crown Z Road	08/28/03	625,000	4.000%	01/02/19	12/24/18	645-05
27	0041	Athey Creek Christian Fellowship	I-205, Stafford Rd, Ek Road	08/24/09	950,000	5.000%	01/01/21	01/22/20	645-04
28	0056	Rogue Valley Transp. District	One Call One Click Center	01/31/15	247,800	1.430%	01/31/20	03/24/20	645-02
29	0065	Mt. Hood Meadows	Highway 35 Improvements	07/13/18	2,154,000	3.480%	12/01/30	04/22/21	645-04
30	0066	Jefferson County	Crooked River Ranch Emergency	08/01/18	253,511	2.490%	03/01/29	07/09/21	645-04

Report Authors

The Debt and Quantitative Analysis Unit serves as staff to the Oregon Transportation Infrastructure Bank. For more information about the Bank, or the contents of this report, please contact:

Daniel Porter, Manager
355 Capitol St NE, MS 21
Salem, OR 97301
503-986-5365
Daniel.R.Porter@odot.state.or.us

Cindy Lesmeister, Senior Fiscal Analyst
355 Capitol St NE, MS 21
Salem, OR 97301
503-986-6634
Cindy.L.Lesmeister@odot.state.or.us