

Hood River-White Salmon Bridge Replacement

Primary Place of Business Survey

Benefits and Tradeoffs of the headquarters location

Financing

The location determines the maximum length of time for the bridge replacement bond or loan term. The length of the loan term determines how quickly it needs to be paid back, with shorter-term loans requiring higher annual payments which could impact tolling costs.

Washington

A revenue-backed bond or loan can last no longer than 40 years in Washington. This will require higher annual loan payments.

A Washington headquarters could drive the average toll higher than a headquarters option in Oregon for the first 40 years.

Oregon

A revenue-backed bond or loan has no term limits in Oregon, so the term length is 50 years. An Oregon headquarters will result lower annual loan payments and no direct impact on toll increases.

Taxes

Oregon and Washington have different tax laws. Washington has a public utility tax that would need to be paid once the bridge replacement is completed.

Washington

After the new bridge is in operation, the Commission is subject to a public utility tax if the headquarters is in Washington.

The public utility tax will create revenue for the Cities of White Salmon or Bingen, but could drive the average toll higher than a headquarters option in Oregon.

Oregon

After the new bridge is in operation, the Commission is exempt from both states' taxes if the headquarters is in Oregon. However, the Cities of White Salmon or Bingen will not receive additional tax revenue.

Construction Wages

Prevailing wage rates are what must be paid to construction workers on all public works projects in Oregon and Washington. These rates are included in the cost of constructing the bridge and long-term maintenance.

The cost difference in prevailing wages between the two states is not significant.

Insurance

The Commission will need both liability and tort insurance. Each state has different laws on award limits for liability insurance, which can affect how much it costs the Commission.

Washington

Washington has no tort award limits. Liability insurance is estimated to cost \$24,000 - \$38,000 more per year in Washington. This could drive the average toll higher than a headquarters option in Oregon.

Oregon

The Oregon Tort Claims Act establishes limits on tort liability for public entities. Liability insurance is estimated to cost \$24,000 - \$38,000 less per year in Oregon than if headquartered in Washington.

Community Benefits

The Commission will include equal representation for each state. The Port of Hood River oversees the existing bridge, which will remain headquartered in Oregon.

Washington

This would clearly signal that the Port of Hood River does not oversee the replacement bridge.

Oregon

There is no strong community benefit observed if the headquarters are in Oregon.

Workers' Compensation

The Commission will need to pay workers compensation and the rate (or cost to the Commission) is different for each state. Studies use an "index rate" to control differences.

Based on a January 2021 report from Oregon, the cost difference between the two states is not significant.

Washington

The Washington index rate is 1.53, 106% of the median (middle number) among all states.

Oregon

The Oregon index rate is 1.00, 69% of the median (middle number) among all states.