



Oregon

Tina Kotek, Governor

Oregon Transportation Commission

Office of the Director, MS 11

355 Capitol St NE

Salem, OR 97301-3871

DATE: October 30, 2025

TO: Oregon Transportation Commission



FROM: Kristopher W. Strickler
Director

SUBJECT: Agenda Item J – Rose Quarter Update

Requested Action:

Receive an update on the I-5 Rose Quarter Improvement Project funding and project development progress. Discuss and provide direction on next steps.

Project Background:

In 2017, the Oregon Legislature passed House Bill 2017, outlining projects and funding for ODOT to reduce congestion in the Portland metro area and make it easier and safer to bike, walk, drive and take transit. House Bill 2017 directed ODOT to address congestion and safety on the 1.8-mile stretch of Interstate 5 at the Rose Quarter. This project represents a generational opportunity to make a positive impact on the community harmed by the original construction of I-5. Working with the community and local partners has helped ODOT design a project that best meets the community vision to reconnect lower Albina and improve safety and traffic flow.

Available Funding:

In 2024, ODOT received a \$450 million grant from the Federal Highway Administration (FHWA) under the banner of the Reconnecting Communities and Neighborhoods (RCN) program. This funding was for the Broadway Weidler Phase 1 package, which includes constructing the southern portion of the highway cover, completing the southbound I-5 auxiliary lane and shoulder from I-405 to the Moda Center, and other improvements. The OTC supplemented this grant with \$250 million in HB 2017 Urban Mobility Strategy funding to allow completion of Phase 1.

ODOT was able to obligate \$67.5 million of the RCN grant funding before the unobligated balance of \$382.5 million was rescinded by the 2025 federal budget reconciliation act signed into law by President Trump.

Under the terms of the grant agreement, the remaining \$67.5 million in RCN funding can only be used for the specified phases for work specifically related to the Broadway Weidler Phase 1 package. RCN funding can't be shifted from PE or ROW to construction or to other elements of the project.

Following rescission of the federal RCN grant funds, the Rose Quarter Project has \$480 million in total funding available.

	Federal/ State/Local	HB 2017 UMS	RCN Grant	Total
PE	\$27,391,997	\$140,000,000	\$30,000,000	\$197,391,997
Right of Way		\$1,000,000	\$30,000,000	\$31,000,000
Utilities/Other		\$1,500,000	\$7,500,000	\$9,000,000
Phase 1A Construction	\$5,000,000	\$70,000,000		\$75,000,000
Phase 1 Construction		\$167,500,000		\$167,500,000
Total	\$32,391,997	\$380,000,000	\$67,500,000	\$479,891,997

Phase 1A Construction – Current status:

ODOT affirmed its commitment to the Oregon Legislature to deliver the I-5 Rose Quarter project by initiating the first construction work package, Phase 1A, in August 2025. Phase 1A provides improvements to the I-5 corridor required both for the I-5 Rose Quarter Improvement Project and to address deferred I-5 maintenance that has been transitioned to the program for delivery.

Phase 1A primarily consists of deferred maintenance and stormwater systems but is also a critical starting point for the project. It improves safety with bridge rail retrofits; meets ODOT's commitment to the Portland Harbor Settlement Agreement by constructing needed stormwater treatment facilities for highway runoff to the Willamette River; roadway asphalt paving and lighting, signing and pavement markings; and builds the southern portion of the southbound auxiliary lane between I-84 and the Morrison Bridge. This phase provides independent utility without being dependent on the remainder of the project to proceed, and it allows for critical construction needs to begin while awaiting future funding opportunities for the entirety of the project. Phase 1A does not rely on RCN funding for construction.

Initial work has begun to onboard subcontractors, start shop drawings and submittals, and do initial onsite construction work for the stormwater treatment facilities and the bridge seismic retrofits.

Overall Project Cost Reduction Options for Discussion:

At its May 8, 2025, meeting, the OTC directed ODOT to explore potential Rose Quarter Project cost reductions – with care to remain aligned with the project's purpose and need, and to avoid deferring or removing critical improvements. Of the more than 70 cost reduction ideas generated and their associated impacts, tradeoffs and cost savings potential, nine most promising cost reductions along with three challenging cost reductions (not recommended by staff) are being presented to OTC for an initial report on the ongoing cost reduction efforts.

Broadway Weidler Phase 1 Options for Discussion:

In light of the recission of the \$382.5 million in RCN funding, the Rose Quarter Project is presenting three options to the OTC to consider and provide direction on how the project shall proceed.

Option 1: Broadway Weidler Phase 1 Full Package

The next work package currently planned for ODOT to advance to design completion and construction readiness, using the remaining PE funding, is the Broadway Weidler Phase 1 package. The Rose Quarter

project does not have funding to complete construction of this full package, and the total project cost is dependent on when the funding would be received. The 2024 cost estimate was \$594M, but that will increase due to the lack of funding and resulting delays to construction start. The next cost estimate and risk evaluation is currently scheduled for the 60% design milestone in Q2 2026.

With approval of this option, ODOT would continue to design a Broadway Weidler “Full Package” that achieves the following:

- constructs the southern portion of the highway cover;
- completes the southbound I-5 auxiliary lane and shoulder from I-405 to the Moda Center;
- extends the northbound auxiliary lane and shoulder under the highway cover;
- installs needed I-5 signage and intelligent transportation system (ITS) features; and
- widens the Holladay/Hassalo Bridge.

ODOT would use remaining PE funds, including the RCN grant, to complete design for Phase 1. ODOT would hold existing construction funding for now and await potential funding from the Legislature in the 2027 session that would allow the agency to complete construction of Phase 1.

Option 2: Build Phase 1B with Available \$167 Million

With approval of this option, ODOT would design a reduced scope Broadway Weidler Phase 1 package to align with currently available funding of \$167.5 million focused on the following features:

- widen the Holladay/Hassalo Bridge; and
- install needed I-5 signage and intelligent transportation system (ITS) features

This option would complete some of the operational and safety improvements on I-5 between I-84 and the Broadway Weidler offramp including the widening over the Rose Quarter Transit Center and removal of the pinch point at the I-84 North Bound onramp. Construction on this phase would begin in 2027, after completion of Phase 1A.

Option 3: Stop Spending RQ Construction Funding

With approval of this option, the currently available \$167.5 million in Rose Quarter construction funding for a Broadway Weidler Phase 1 package would be reallocated either to the I-205 Abernethy Project (which the OTC could approve) or to ODOT’s budget for use elsewhere in the state (which would require Legislative action to modify the spending distribution in HB 2017). This action would complete the design for Broadway Weidler Phase 1 using federal RCN grant funding and focus the team’s efforts on completing the Phase 1A construction package. Progress on the remainder of the Rose Quarter would await future funding opportunities, and the cost of the project would grow with each year.

Outcomes:

The team seeks discussion and direction on next steps based on the options provided above.