

VandenBerghe, Alissa (Consultant)

From: White, John
Sent: Tuesday, December 30, 2008 4:57 PM
To: Preedy, Matt; Greco, Theresa; Reilly, John; Rigsby, Mike (Consultant); Williamson, Alec
Subject: FW: AWV Cost Estimates - Follow Up

Follow Up Flag: Follow up
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FYI.

-----Original Message-----

From: Dye, Dave
Sent: Tuesday, December 30, 2008 3:22 PM
To: Paananen, Ron; Hammond, Paula; Grotefendt, Amy (Consultant); Judd, Ron; Ziegler, Jennifer; Stone, Craig; White, John
Subject: RE: AWV Cost Estimates - Follow Up

Hey all - we had a pretty good discussion at the AWV office today regarding project cost estimates, with most of the focus on the bored tunnel. You may have seen some e-mail from me earlier suggesting that the costs for the single-bore could be somewhat lower than the \$2.13 billion figure used originally. Based on my conversations today, I'm inclined to say the \$2.13 billion figure is the right figure to build a finance plan around...here's why:

- The probable cost range from which we pulled that figure is about \$1.9 billion to \$2.4 billion, with most probable being \$2.13 billion.
- This range is not a full CEVP range - probably more like the 30% to 70% CEVP range -- a full 10% to 90% range might be something more like \$1.6 to \$3.0 billion, with the 60% about the same as our \$2.13 billion (some conjecture here, but informed conjecture).
- ARUP and Cascadia are suggesting the tunnel can be done in the \$1.6 to \$1.8 range, closer to the lower end of what we might expect to see in our full range when the CEVP is conducted. There is no doubt that there is optimism in that number.
- Taking what we learned from our expert review panel in 2006, we would expect to see the wider range given where we are in the design process and that targeting the number somewhere around 50-60% for finance plan development seems reasonable.
- We'll pull together a few tunnel experts in the next couple of weeks to check our approach on this but don't expect a major shift in this number.

So, that's a long way of saying I think we should stick with the \$2.13 billion number for financial planning purposes...in a conversation with the other members of the tri-agency today they concur. Along those lines, work about who pays for what and transportation performance and construction impacts etc. continues so we will have good information for our 9-3 workshop at the city on Friday. That's it for now, and of course, all subject to change. Talk to you soon.

-dave