

Testimony of Peter Bergel 10-12-16

My name is Peter Bergel. I live at 1850 Saginaw St. South in Salem. Thank you for the opportunity to testify today.

Above the questions of which building plan to choose for another river crossing bridge, who supports it, and what it will actually accomplish, hovers the question of how it might be funded.

The Project Oversight Team issued a Project Funding Strategy Memorandum on March 6, 2015, which – as far as I know – is the most recent official attempt to address this question.

This graph from that memorandum summarizes the Team’s view of the options:

Project Phase	Approx. Cost	Funding Source					
		FEDERAL	STATE	LOCAL	LOCAL	LOCAL	LOCAL
				Gas Tax	Vehicle Reg. Fee	Property Tax	Tolling
Phase B	\$300,000,000	\$20 M	\$75 M	\$65 M	\$65 M	--	\$175 M
Phase M-South	\$20,000,000					\$20 M	
Phase M-North	\$10,000,000					\$10 M	
Phase R	\$100,000,000	\$20 M	\$75 M	\$20 M	\$20 M		\$100M
Total Project Cost	\$430,000,000	\$40 M	\$150 M	\$85 M	\$85 M	\$30 M	\$275M

Does anyone here honestly believe that with federal and state aid optimistically estimated at \$190 million of a \$430 million project – less than 45% - the people of the Salem area are going to love this project enough to come up with the other 55% - some \$237 million? I don't. We probably won't get to vote on the gas tax or the vehicle registration fee, but I think there's going to be enough opposition to them to make our representatives think twice and thrice about approving such unpopular measures. We **will** get to vote on the property tax part and on the tolls and personally I find it really hard to believe that the public is going to support either one – in fact, any of this.

Furthermore, the numbers on this chart don't add up. The numbers along the bottom line add up to total revenue of \$665 million, not \$430 million. This discrepancy is explained thus: "the values placed in the table represented upper ranges of revenue that could potentially be raised for each of the funding sources.

If one or more of the funding sources was not secured, it may be necessary to pursue increased funding from another source up to the maximum shown to meet the need.” It also acknowledges that the numbers listed for government support are likely to be high. Thus the “other source” from which the additional funding has to be secured is the local public.

The biggest piece of that is projected to be from tolls of \$1.50 per crossing! Who is expected to support THAT? Furthermore, the text acknowledges that even this is only expected to raise \$175 million. I think \$0 is more likely, but leaving that aside, I don't think that even the rosiest realistic projection can get you to the cost of the project, even before the likely cost overruns. We are told that the project could be constructed in “phases.” What is likely to happen, then, is that the project would get started, run out of money and then sit there – a multi-million-dollar eyesore and monument to the folly of people who were unable to admit that this was a losing struggle from the start.

I call upon all decision-makers involved to admit that this bridge is a lost cause and stop throwing good money after bad.