

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
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April 3, 2007

The Honorable Mary Margaret Haugen, Chair
Senate Transportation Committee
305 John A. Cherberg Building
Olympia, WA 98504

The Honorable Judy Clibborn, Chair
House Transportation Committee
435 John L. O'Brien Building
Olympia, WA 98504

Dear *Mary Margaret* Senator Haugen and Representative Clibborn:

Enclosed is a report on the SR 520 Bridge Replacement and HOV Project Funding Alternatives. The report has been produced by the Office of the State Treasurer with the assistance of Seattle-Northwest Securities Corporation, Montague DeRose and Associates, LLC, and the Washington State Department of Transportation.

The purpose of this report was to provide information about finance issues and strategies to aid decision makers as they evaluate legislative proposals for funding the SR 520 project. The report identifies possible bonding vehicles as well as certain credit strengths and weaknesses of the project. Additionally, the report presents the State Treasurer's ideas about a preliminary plan of finance.

A number of milestones must be completed before construction will begin on the SR 520 project. They include selecting a preferred alternative for the project, working with impacted communities to address community mitigation for the project, and ultimately developing a finance plan. The enclosed report provides additional information to consider as the legislative discussions continue on this critical transportation project.

I hope you find the report useful as we move forward.

Sincerely,

A handwritten signature in cursive that reads "Chris".

Christine O. Gregoire
Governor

Enclosure

