

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

September 18, 2020 • 9 a.m. – 11:35 a.m. • GoToMeeting

In Attendance

BOARD MEMBERS

Dan Gatchet, Chair

Leonard Barnes

Matt Ewers

Erik Hansen

Johan Hellman

Pat Hulcey

Temple Lentz

John McCarthy

Roger Millar

Art Swannack

Bob Watters

Ben Wick

Ex officio Aaron Hunt

FMSIB STAFF

Brian Ziegler, Director

Gena Workman, Executive Assistant

GUEST PRESENTERS

Mike Dahlem, City of Sumner

Michael Kosa, City of Sumner

Leticia Neal, Pierce County

Kjris Lund, Lund Consulting

Meeting Convenes

Chair Dan Gatchet convened the GoToMeeting at 9 a.m. and reviewed virtual meeting protocols. Ms. Workman conducted roll call while Board members introduced themselves.

Approval of Meeting Minutes

Board Action Item: Adoption of July 30, 2020, Board Meeting Minutes

MOTION:

Chair Gatchet entertained a motion to adopt the July 30, 2020, meeting minutes as presented.

Mr. Bob Watters so moved to adopt the minutes as presented. Mr. Leonard Barnes seconded.

MOTION CARRIED

FMSIB Budgets

Director Ziegler reviewed the current 2019-21 budget and the proposed 2021-23 budget.

2019-21 Operating Budget

The Operating Budget is about half expended halfway through the biennium, which puts the agency on track to finish on-budget. The 2020 Legislature reduced the Operating Budget by 5 percent, which is a 10 percent reduction for the remainder of the fiscal year.

FMSIB recently learned it will have to transition its webpage management from County Road Administration (CRAB) to WaTech, which is an unplanned expense. CRAB has hosted FMSIB's website for years; however, their webmaster recently retired, and CRAB is now moving their webpage management to WaTech. In turn, FMSIB will need to do so as well. CRAB has been very helpful with this transition, and FMSIB is working on keeping costs down for this transition.

The Operating Budget should be okay due to the cost savings of holding virtual meetings, no board travel, and staff furloughs.

2019-21 Capital Budget

The biennial budget is almost half-expended and showing good progress.

Secretary Millar asked what the percentage of biennial expenditures would be against the original budget as opposed to the adjusted budget. Director Ziegler estimated about 30 percent. Mr. Swannack pointed out FMSIB needs to measure its performance against the money currently received from the Legislature.

Director Ziegler reviewed project status milestones. Although FMSIB is known for "early-in" dollars projects, the current project portfolio includes a mixture of first and last dollars in. City of Seattle's, Lander Street project is an example of last dollars in. FMSIB awarded funds to this project in 2016 and the project is now substantially complete. The Kent 228th Street project is an example of early money in (2004) and will be completed this spring.

Director Ziegler reminded the Board that project deferrals and cancelations could be done at any time but typically at the November Board meeting. Mr. Wick asked for clarification on the Pines Road project status. Director Ziegler said that the Board took action to keep Pines Road on the deferred list. The project does not show on the chart since there is no money allocated to it for the previous or current biennium. Mr. Wick advised the Board that the Spokane Valley Barker Road BNSF project recently obligated right-of-way and the project cost has come in less than expected.

2021-23 Budget Proposal

Every two years state agencies submit a biennial budget proposal. WSDOT's Local Programs Office and Budget Office support FMSIB in developing the budget proposal. This year, OFM instructed all agencies to submit Decision Packages to reduce operating and capital requests by 10 percent each.

FMSIB's 21-23 Operating Budget proposal is at the \$772,000 base level and the 10 percent operating reduction (\$77,200) was taken from the Capital Budget (since both Operating and Capital come from the same freight mobility fund). In addition, our budget proposal includes the same Decision Package requested last biennium (and not funded) for staff transition (\$59,000).

FMSIB's 21-23 Capital Budget request is to fully fund the current awarded project list for 2021-23, approximately \$36 million. FMSIB also submitted a 10 percent reduction Decision Package, approximately \$3.6 million, which would essentially eliminate funds for a 2021 Call for Project. Without that reduction, FMSIB could conduct a 2021 Call for Projects of approximately \$15 million and a 2023 Call for Projects of approximately \$20 million.

The budget proposal had to be submitted on September 14, but the Board can still make budget changes at today's meeting.

Board Discussion

Secretary Millar stated that the Governor's budget plan assumes that the Supreme Court will uphold Initiative 976 and asked if FMSIB's 2021-23 budget forecast included the impacts of Initiative 976. Director Ziegler confirmed it did and that \$3 million is at risk depending on the outcome of I-976. Secretary Millar further stated that if the Supreme Court votes to overturn the initiative, it does not mean that the revenues automatically come back. Mr. Hansen confirmed. If the \$3 million were removed from the revenue forecast, then the total budget would be \$33 million.

Chair Gatchet suggested it does not make sense to lobby for a future Call for Projects if there was only \$1.5 million available. Mr. Swannack does not believe this session is a good time to ask for a Call for Projects based on the current budget deficit. Mr. Hellman and Secretary Millar agreed.

Mr. Hansen stated that due to I-976 and COVID-19, the Transportation Budget is \$800 million down this biennium and the current forecast for next biennium is another \$800 million. The actual Transportation Budget is about \$7 billion.

Staff Action Item: Send electronic copy of 1921-23 biennial budget proposal to the Board.

Director's Report

Please see the Board meeting packet for the complete report on Director Ziegler's activities since the July 30, 2020, Board meeting.

Project Updates

City of Fife, 70th Ave. E. Undercrossing ("Last Dollars")

In 2018, FMSIB awarded \$5 million to Fife's 70th Ave. E. Undercrossing Project, fully funding that phase of the Puget Gateway Corridor. Construction began last fall and on August 28-30, contractors placed nine record-length girders across I-5.

City of Seattle, South Lander Street Grade Separation ("First Dollars")

In 2016, FMSIB awarded \$8 million to the city for this grade separation project in the Duwamish industrial area. Later that year, the city received a federal FASTLANE grant, and the project became fully funded. The two-year construction program is nearing completion, and Chair Gatchet will represent FMSIB at the September 24 ribbon-cutting event, as well as provide a video message congratulating the city on its accomplishments.

Active Projects Being Considered for Deferral

At the May 2019 FMSIB Workshop, staff presented an analysis of all 28 active FMSIB projects with recommendations on which projects should be considered for deferral. The Board concurred with the recommendations and directed staff to invite four project sponsors to explain their project status to the Board. The Board has reviewed all four projects and has taken action to defer projects and/or keep them in Active status. Since the Board was precluded from conducting a 2020 Call for Projects, there are no additional projects to consider for deferral.

At the January 2020 meeting, the Board concurred with staff recommendations to review two more projects:

- 1. City of Seattle, E. Marginal Way Heavy Haul Corridor Improvements**

The City of Seattle presented their project at both the March and July meetings. The Board took action at the July meeting to authorize \$1 million of the \$6.1 million award be applied to Phase 1 of the project. The city was asked to confirm if that would be sufficient and report to the Board. Here is their response:

“Since the July FMSIB Board meeting, SDOT has continued working to answer the question of whether we have enough funds to award a Phase 1 East Marginal Way project if we are not successful with our BUILD application. The key input we are waiting for in order to answer this question will come from Union Pacific Railroad and involves approval of our design for the intersection of East Marginal Way S and S Hanford St. We have submitted two designs to UPRR for comment, review and (hopefully) approval:

- *One design relocates the railroad track out of the S Hanford St intersection. There are multiple design concepts for this option – the only change being the location of the railroad switch in relation to S Hanford St. If one of these options were approved for construction, we would still have a funding shortfall for Phase 1 if we were not successful with BUILD. However, this is our preferred option from a design standpoint.*
- *The other design keeps the railroad track in place and improves the bicycle crossing by having the Protected Bicycle Lanes cross the UPRR track two times (on either side of a shortened S Hanford St crossing). If this design were approved, we would not expect to have a funding shortfall for Phase 1 now even if we were unsuccessful with BUILD, largely because of the \$1 m from our FMSIB grant being applied to Phase 1. We submitted this design to UPRR in mid-August after some initial feedback (which we received the day after the FMSIB Board meeting) indicating that the first design might not be approved.*

We are also waiting to hear about our BUILD application and hope that we have that answer in September, too.”

Director Ziegler stated that the city did not receive the BUILD grant.

2. City of Sumner, Stewart Road

The City of Sumner will present at the September meeting.

2020 Annual Report

Under RCW 47.06A.020(1)(c), the Board shall “provide periodic progress reports on its activities to the office of financial management and the senate and house transportation committees.” FMSIB staff distributed over 200 paper copies and nearly 500 electronic copies of the 2019 Annual Report. In August, staff and our consultant began meetings with Board members and other interested parties to develop the 2020 Annual Report. This item is on the September meeting agenda to provide members an opportunity to discuss report themes and potential presentation formats.

LEAP List Process

Director Ziegler shared that FMSIB does not have experience with LEAP Lists and provided an update on FMSIB’s LEAP List process.

How does the 2019 LEAP list budget proviso affect FMSIB?

The relevant legislative direction is contained in ESHB 2322, Sec. 301:

"1) Except as otherwise provided in this section, the entire appropriations in this section are provided solely for the projects by amount, as listed in the LEAP Transportation Document ((2019-3 as developed April 27, 2019,)) 2020-3 as developed March 11, 2020, Conference FMSIB Project List.

Key to interpreting this direction is the phrase *"for the projects by amount."* This language would restrict FMSIB from adding or deleting projects and from exceeding the "project amount" shown. Of some debate is whether the "by amount" is a biennial amount or a project amount since both are shown on the LEAP list. This could mean that as long as total project amounts are not exceeded, then all FMSIB-awarded funding is available for the project, regardless which biennium it is shown in the LEAP list.

What process will FMSIB use to request a LEAP list revision?

FMSIB convened a call with LEAP staff, House and Senate Transportation Committee staff, WSDOT and the Governor's Office to discuss a consensus interpretation of the language and to detail how the FMSIB LEAP list could be modified. The group was split on their opinion but agreed that either interpretation was valid.

Chelan County requested advancing 2021-23 funding into the current biennium on the West Cashmere Bridge Project. To ensure the legislative intent was fully implemented, the group suggested FMSIB explain the revision request in a letter to the Transportation Chairs, Ranking Members of each committee, and to the Governor's Office. That letter was sent August 21, 2020, and a subsequent email was received from Chair Fey requesting FMSIB provide an expenditure reduction offsetting the advancement of funding. FMSIB received the formal reply on September 16 to proceed with the request. Director Ziegler called attention to the last paragraph in the September 16 letter, which is a positive sign that we might avoid these letters in the future:

"This should not be precedent for other project changes. As the FMSIB project list gets incorporated more systematically into the budget process in the future, we anticipate more formal mechanisms will be used for these types of requests."

The group will continue to meet to come up with a consensus on the process, which may WSDOT's approach to LEAP list revisions.

Board Member Reports

Secretary Millar:

- Twenty-one state highways have closed due to the fires.
- WSDOT has also been coordinating activity with Oregon DOT regarding the I-5 NB lane closure over the Columbia River Bridge.

Mr. McCarthy:

- Northwest Seaport Alliance coordinated a coalition letter (signed by 96 local governments and FMSIB) to the Transportation Committees calling for state funding of the West Seattle Bridge Project. Seattle Department of Transportation (SDOT) gave priority to lower bridge for freight and emergency movement.
- Matson Shipping moved from Seattle to Tacoma. A barge containing a crane broke loose and struck a restaurant. Some damage, but no one was injured.

- NWSA welcomed 11 new vessels, which are the largest vessels since that terminal was modernized two years ago.

Mr. Watters: With SDOT's decision to prioritize freight and emergency vehicle movement for the lower lever of the West Seattle Bridge, it is difficult to market the bridge to steamship lines at this point without certainty from the city on what is going to happen with the upper-level.

City of Sumner - Stewart Road Corridor White River Bridge Replacement Update

Board Action Item: No action needed.

At the Board's request, Mike Dahlem, P.E., Public Works Director and Michael Kosa, P.E., Associate City Engineer provided a project update. This project removes a constriction on a T-1 freight route and on a salmon-bearing river. FMSIB awarded \$3 million to this project in 2018. Sumner relies on grant funding and appreciates FMSIB's early award that allowed the city to quickly obtain additional funding, including federal. There are many funding partners involved in this project and all but the last 900 feet of this two-mile corridor is complete. The plans include raising, lengthening, and adding a sidewalk to the bridge over White River. Design is 30 percent complete and will be completed early 2022. Construction will go to ad in summer 2022 but might delay to 2023 due to funding availability.

Board Discussion

Mr. Ewers liked that the design addressed truck safety issues, such as room for truck mirrors and separation of pedestrians and trucks.

Mr. McCarthy reiterated that Sumner is home to many industries, and the Port of Tacoma thinks this is an important project.

Secretary Millar stated that this is a great example of all of us working together.

Pierce County - Canyon Road Project Update

Board Action Item: Pierce County requests FMSIB retain the Canyon Road Corridor Projects #20 and #53 on the FMSIB Deferred project list and not cancel the projects.

FMSIB awarded two Pierce County projects (#20 and #53) funding to complete an important gap in the freight network between the Port of Tacoma and the industrial area in Frederickson. Due to lack of progress, the Board deferred these two Canyon River Corridor projects in 2011. The projects were then eligible for cancelation in 2017, but in 2018 the Board approved the county's request for a two-year extension of the deferral. This project currently has no financial impact on FMSIB's budget.

Leticia Neal, P.E., Pierce County Planning & Public Works, provided an update on these projects.

New project developments include:

- January 2018 – FWHA direction results in schedule extension to 2025
- February 2019 – Value Engineering study
- May 2019 – Structural Alternatives study results in grade-separated structure

The railroad crossing project design is 90 percent complete, ROW acquisition is underway, and could be ready to build in 2022.

The river crossing project design is 30 percent complete, NEPA scoping is underway, and ROW acquisition is planned for January 2021. The following are complete: alternatives analysis, bridge selection, traffic and intersection control analysis, survey, and geotechnical explorations.

The county envisions both projects to go out as one package in 2025, which would make it the largest Pierce County has ever done. The current cost estimate is \$250-300 million with a new cost estimate expected by the end of this year. Design and right of way acquisition are fully funded.

For further information, see project website at <https://canyonroadconnection.org/>

Board Discussion

Mr. Ewers appreciates the county's perseverance and would like to see FMSIB's continued support of this project.

Mr. McCarthy appreciates hard work the county has put into this project.

Mr. Hulcey really likes the innovative bridge design.

Mr. Swannack thinks this is a good project but pointed out that deferred projects do not have money allocated, so he is concerned if money will be available when needed.

MOTION:

Mr. McCarthy made a motion to approve Pierce County's request to retain Canyon Road Projects #20 and #53 on FMSIB's Deferred Project list. Mr. Swannack seconded.

MOTION CARRIED

Future Agenda Item: The Board would like an update on Pierce County's Canyon Road Project in 2022.

WSDOT Freight Stakeholder Group

Secretary Millar shared that the 38-member Freight Stakeholder Group (FSG) has been having valuable discussions at the direction of the Legislature to determine if Washington should have a Freight Advisory Committee (FAC) and, if so, what would its role be. Based on input from stakeholders, WSDOT staff is preparing the draft report for review at the FSG October meeting. The final report is due to the Legislature in December.

Board Discussion:

Chair Gatchet asked about what the next steps may be once the report is submitted to the Legislature. Secretary Millar said the report will include recommendations to the Legislature for them to consider; however, with the significant revenue shortfall, he does not know how much attention this issue will receive. The state's economy moves on existing infrastructure not on the projects we wish we had. With current law and funding, starting in 2021-23 WSDOT will have to defer all preservation on any state facility with speed limits of 45 mph or less. In other words, money will be spent on preservation for high-speed facilities only.

Chair Gatchet shared the September 11 letter sent to Secretary Millar regarding two key questions Chair Gatchet would like posed to FSG:

- 1) Instead of creating another FAC, should FSG consider recommending that an expanded FMSIB committee perform the role of FAC?

- 2) Should the new FAC or an expanded FMSIB perform the function of scoring, prioritizing, and allocating federal freight funding to projects?

Mr. Swannack asked if it made sense, given this session's revenue shortfall, to create a new committee when FMSIB is already established and has a part in it. It may be simpler for the Legislatures to add new members to FMSIB without creating a new committee.

Secretary Millar felt that would be status quo. He feels what FMSIB does for first/last mile connections compliments WSDOT, ports, cities, counties, and rail. WSDOT uses the FAC to advise them on the Freight Mobility Plan. The Freight Mobility Plan is not due anytime soon and the FAC is optional so there is no rush on this. Secretary Millar would like to see a committee that was representative of all the interests and that looks more broadly at freight issues. He will share the letter with rest of FSG so we can have a "robust conversation," if that is what Chair Gatchet wants.

Mr. Hellman expressed his understanding from Secretary Millar is that the FAC is a larger, more diverse group to inform WSDOT on decision making for transportation planning. Secretary Millar confirmed that he sees FAC and FMSIB roles as complimentary. FMSIB looks at first/last mile and helps local agencies get projects done. The larger group would be a part of the freight planning about the state's priorities. He is most interested in making sure the voices of all interests in freight conversation are heard at the right time in the decision.

Mr. Swannack stated that there are two different roles between FAC and FMSIB. FAC is advisory on a large scale on what the plan should look like with discussion about all the issues at one time. With FMSIB, many of the other issues, such as environmental, labor, and others, have already been considered by the project proponents. The project updates provided at this meeting illustrates this point. Mr. Ewers and Mr. Watters agreed with Mr. Swannack's comments.

2020 Annual Report

Kjristine Lund, Lund Consulting, provided an update on FMSIB's 2020 report.

Ms. Lund thanked the Board, Trucking, Ports, Cities, and Counties for participating in the August interviews. She provided a summary of the issues that came from the interviews and asked the Board for any changes. None were noted. Ms. Lund also shared that with this new virtually meeting environment in mind, they are looking at providing a PowerPoint template to present the annual report. The PowerPoint will include hyperlinks to the full annual report. A draft 2020 Annual Report will be available at the November Board meeting.

Next Meeting

November 20, 2020 - Virtual

Meeting Adjourned

Chair Gatchet adjourned the meeting at 11:35 a.m.

Summary of Board Motions & Recommendations:

- 1) **Board Action Item:** Adoption of July 30, 2020, Board Meeting Minutes.
Motion Carried (page 1)
- 2) **Board Action Item:** Pierce County requested to retain Canyon Road Projects #20 and #53 on FMSIB's Deferred project list. *Motion Carried* (page 7)

Summary of Staff Action/Direction Items:

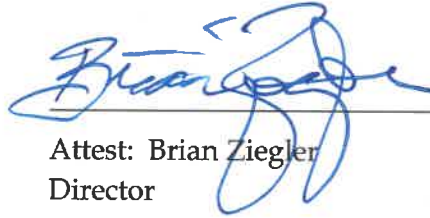
Send electronic copy of 1921-23 biennial budget proposal to the Board.

Summary of Future Agenda Items:

The Board would like an update on Pierce County's Canyon Road Projects #20 and #53 in 2022.



Dan Gatchet
Chair



Attest: Brian Ziegler
Director