

Freight Mobility Strategic Investment Board

March 15, 2019
9:00 AM to 1:15 PM

*Port of Kalama
Commission Room
110 W Marine Drive
Kalama, WA*

AGENDA

9:00 AM	Welcome/Introductions	Dan Gatchet Eric Yakovich, Port of Kalama Economic Dev. Manager	Informational
9:05 AM	Meeting Minutes - January 18, 2019 Regular Meeting - February 15, 2019 Special Meeting	Dan Gatchet	Action
9:10 AM	FMSIB Budgets (2017-19 and 2019-21)	Brian Ziegler	Action
9:40 AM	Director's Report	Brian Ziegler	Action
9:55 AM	Board Member Reports	Board Members	Informational
10:10 AM	Project Review - East Marginal Way Overcrossing to Argo Yard	Brian Ziegler	Informational
10:30 AM	Legislation Update	Brian Ziegler	Informational
10:45 AM	Port of Kalama Presentation	Eric Yakovich, Port of Kalama Economic Dev. Manager	Informational
11:15 AM	Port of Kalama Project Tour	Eric Yakovich, Port of Kalama Economic Dev. Manager	Informational
12:00 PM	Working Lunch		
12:15 PM	Connell Project Status	Brian Ziegler Ron Pate, WSDOT	Informational
12:35 PM	FMSIB / TVW 20th Anniversary Video Sponsorship	Brian Ziegler	Action
12:50 PM	May 30 Workshop Agenda	Brian Ziegler	Informational
1:10 PM	Next Meeting: May 30-31, 2019 - Skamania	Dan Gatchet	Action
1:15 PM	Adjourn	Dan Gatchet	Action



FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

January 18, 2019
Olympia, WA

Board Members Present: Mr. Dan Gatchet, Chair; Mr. Matt Ewers; Mr. Erik Hansen; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. John McCarthy; Secretary Roger Millar; Mr. Art Swannack; Mr. Ben Wick and ex officio Mr. Aaron Hunt.

Board Members Not Present: Mr. Leonard Barnes and Mr. Bob Watters.

WELCOME

Chair Dan Gatchet opened the meeting with welcoming comments. All Board members introduced themselves.

MINUTES-NOVEMBER 16, 2018

Chair Gatchet entertained a motion to adopt the November 16, 2018 minutes. Mr. Wick so moved and Mr. Ewers seconded the motion.

MOTION CARRIED

Mr. McCarthy asked if FMSIB historically reports the number of votes on a motion. Director Ziegler answered that, historically, FMSIB meeting minutes note only if the motion carried or failed. Mr. Hellman further elaborated that a member could call for division if they wanted a more specific vote than a voice vote. Mr. Swannack stated that FMSIB also records when a member abstains from voting.

FMSIB BUDGETS (2017-19)

Director Ziegler provided a brief overview of the Operating Budget chart, explaining the two portions of the chart. One portion shows legislative appropriation by object code and the other shows expenditure sub-objects tracked by FMSIB and OFM. With current spending, the Operating Budget indicates a surplus at the end of the biennium. Director Ziegler explained that the Personal Service Contracts are reported differently since they are paid invoices received throughout the biennium and, therefore, do not show a variance. FMSIB's 2019-21 Decision Package request for a \$50,000 succession plan increase was included in the Governor's final budget.

Director Ziegler shared two versions of the Capital Budget: the WSDOT Local Programs spreadsheet and the FMSIB Delivery Risk Assessment. The second supplemental (FY 19) of the biennium shows a drop in anticipated spending by project sponsors. Director Ziegler noted that FMSIB has been billed only \$5 million of the projected \$35 million. The City of Kent's S 228th Street Extension & Grade Separation Project is required to spend the money by June 30 or lose it since that money has not been re-appropriated. The City of Seattle's Lander Street Overcrossing is now under construction and will be billing a large portion this biennium.

Director Ziegler reviewed the forecast of expenditures chart and identified issues with project delivery. Any changes since the November 2018 report are noted in red. The forecasted expenditure is now \$26 million for project delivery this biennium. Mr. McCarthy questioned if the older projects should have an opportunity to be reevaluated and required to compete with current projects. Director Ziegler explained that once a project is in deferred status, they have to come before the Board to make their case. Director Ziegler shared that he will be closely reviewing the following two projects and their status: City of Tukwila Strander Blvd and the City of Longview SR 432/SR 411 Intersection Improvements.

Secretary Millar pointed out that the Legislature appropriates this money to be spent, and the Board may want to consider granting FMSIB money differently depending on if it is first or last dollars in. For example, those projects in which FMSIB is first dollars in, the grant could be made contingent upon receiving other funding within a specific grant cycle. Secretary Millar requested FMSIB staff present several options at the retreat for consideration by the Board on different ways to move projects forward and avoid this surplus of money. Mr. Swannack recommended Director Ziegler have a conversation with CRAB and TIB on this topic to see how it affects local governments. Chair Gatchet acknowledged how helpful Director Ziegler's Risk Assessment chart has been to the Board.

DIRECTOR'S REPORT

Please see the meeting packet (posted at www.fmsib.wa.gov) for further details on the following topics addressed in the Director's Report:

- *Potential New FMSIB Project (Connell Project)*
- *Road-Rail Conflicts Study – Phase 2 Update*

Secretary Millar expressed a concern about spending money to add projects to an already prioritized list versus using any available funding for projects that have been identified and are ready to go. Mr. McCarthy inquired about the role of the railroads. Mr. Hellman commented that this study supports there is not an off-the-shelf at-grade separation solution: the long-term solution is to leverage federal and local money then look to private sector and this prioritized list helps BNSF to compete against other states for federal money. Mr. Swannack pointed out that road-rail conflicts are just one part of FMSIB's role. Chair Gatchet thought that this would be a good topic for discussion at the FMSIB retreat in May.

- *FMSIB Member Appointments*
- *Project Status Updates*
 - o *Port of Seattle – East Marginal / Diagonal / ARGO Rail Yard*: the final phase of this multi-year project should be completed early in 2019.
 - o *Port of Kalama – Industrial Rail Additions*: awarded \$2.5 million in FMSIB's 2018 Call for Projects. FMSIB will tour this and other Port projects during the March Board meeting in Kalama.
- *FMSIB Annual Report*: printed copies available.
- *JTC Air Cargo Study*

The Board expressed concern that taking a leadership role in this study would fundamentally change what FMSIB does. Chair Gatchet stated the Board would support Director Ziegler as needed with this issue.
- *Codification Legislation*

- *FMSIB 20th Anniversary Recognition*
- *FMSIB Process Improvement Efforts*
- *Legislative and Other Briefings*
- *Meetings and Conferences*

LEGISLATIVE VISITS-RECAP

FMSIB scheduled 30 legislator meetings for its 2019 Day on the Hill and had only two cancelations. Director Ziegler gave a 10-year history of FMSIB's Day on the Hill visits, and this was one of the most successful years. The Board shared that they received a mixture of FMSIB and non-FMSIB related questions. The goal is to redirect conversation and questions back to FMSIB topics. Mr. Swannack learned in his meeting with Representative Boehnke that the freezer facility FMSIB visited in Kennewick is already over capacity and the company is planning to build a larger one, making rail access very important in their area. Several legislatures expressed a strong interest in the Connell Interchange Project. Mr. Ewers shared that in his meeting with Senator Schoesler, the senator made it clear that the Connell Interchange is an important project for his district, and he is now looking to short-lines and possibly the shippers to contribute money. Mr. Wick noted that he received many questions about autonomous vehicles. Mr. Hulcey shared that every legislator he spoke with supported codification. Mr. Ewers expressed how important it is for FMSIB to continue to have these meetings with the legislators and to educate them about our Board. Mr. Hellman agreed that is a great educational opportunity with all the new members. Chair Gatchet found it helpful for the meeting packets to include which FMSIB projects were in each of the member's districts.

BOARD MEMBER REPORTS

Mr. McCarthy shared that there is new agreement with WWL, a new auto processing facility in Tacoma, which is about a \$30 million investment scheduled to start next year. The Port met with Representative Charleton to put together a Northwest Seaport Alliance port competitiveness coalition to address how Washington can be more trade competitive on the west coast, Canada being our key competitor. Chair Gatchet mentioned that the recent Supreme Court ruling in favor of independent contract truck drivers being treated as employees will open the doors for Teamsters and will change the cost structure. Mr. Ewers thinks this is the beginning of the end for independent contract truck drivers. Mr. Ewers also pointed out that platooning is something the trucking industry will see in the future. Secretary Millar agreed and shared that WSDOT has been involved in discussions for two-truck platooning. The fuel efficiency is a significant savings. Mr. Swannack mentioned the truck-parking app available in the mid-west that notifies truckers of real-time parking availability.

20TH ANNIVERSARY TVW VIDEO

FMSIB received financial sponsorship pledges from three statewide associations and three private sector agencies for this video. The video is being aired during the "Washington Road Trip" segment on TVW. To date, FMSIB has received \$17,500 in contributions. TVW will not require FMSIB to pay any remaining portion of the \$25,000 published fee, but it may result in a shorter runtime. The Board can choose to pay the balance, which is estimated to be \$2,500 to \$5,000. Chair Gatchet suggested the Board revisit this issue at the March meeting and determine at that time if FMSIB should fill any gap.

CODIFICATION LEGISLATION STATUS

Chair Gatchet shared that most of the legislators he spoke with were in favor of codification. Director Ziegler noted that codification is good for our agency, CRAB, and TIB, but even better for our constituents. The prime sponsor this year is Senator Takko and several republicans are in support. It is not clear if Senator Hobbs is in support or if he will give it a hearing. The House Chair will give it a hearing and has assigned the bill to Representative Mead. Mr. Swannack asked Director Ziegler to give a brief summary of the benefits of codification. Director Ziegler stated that the Connecting Washington Program is a 16-year financial plan and is not statutory. The disbursement of those accounts are not codified and could change at any time. If the money is codified, it can still change but would require a public hearing. Mr. Ewers inquired about why anyone would be opposed. Mr. Hansen responded that the opposition to codification is financial. If money is not codified, it is easy for the Legislature to change their priorities and to move the money. Mr. Hansen also pointed out that the Governor's budget introduced a new tax stream to transportation, which is primarily to deal with the Supreme Court ruling on culverts.

FMSIB ANNUAL REPORT RECAP

Chair Gatchet stated that the 2018 Annual Report was well done and worked well to distribute during the legislative meetings.

REVISIT CONNELL PROJECT

Director Ziegler shared that several legislators brought up this project during FMSIB's Day on the Hill meetings. FMSIB's Project Selection Committee did not award funding for this project during the 2018 FMSIB Call for Projects. In June, Director Ziegler was asked by the Board to contact the affected ports and determine the level of shipper commitment and to reach out to the project sponsor to explore alternative funding options. The project sponsors then requested FMSIB reconsider granting the project \$2 million instead of the original \$4 million ask. In September, the Board asked the Director to gather additional information from the ports and determine the level of shipper commitments before the Board makes a decision. This is not a question of financial ability, but if it meets FMSIB criteria. Director Ziegler shared the shipper data at the November Board meeting and that the sponsoring agency would likely shift from the city to port(s). Secretary Millar stated that the team model used for funding the local share of the Puget Sound Gateway should be used for this project. WSDOT worked with Connell but the city does not have the resources. Secretary Millar offered WSDOT to take the lead in organizing and moving forward with a process like Gateway. Mr. Hellman agreed with this approach.

STATE RAIL PLAN UPDATE-JASON BELOSO, WSDOT

Mr. Beloso gave an overview of the State Rail Plan. WSDOT is more than halfway through the process and they plan to be complete by June 2019.

LEGISLATIVE PANEL

Senator King and Representative Barkis spoke to the Board about the 2019 Legislative Session and challenges surrounding transportation and freight. Both legislators expressed their ongoing support for FMSIB.

NEXT MEETING

Chair Dan Gatchet entertained a motion to hold the next FMSIB Board meeting on March 15, 2019 in Kalama, Washington. Mr. Hulcey so moved and Mr. McCarthy seconded the motion.

MOTION CARRIED

Chair Dan Gatchet adjourned the meeting at 1:15 p.m.

MEETING ADJOURNED

Dan Gatchet
Chair

Attest: Brian Ziegler
Director

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
SPECIAL MEETING
TRIPLE TRAILER LEGISLATION-HB 1897 (SB 5730)

MEETING MINUTES

February 15, 2019
Conference Call

Board members present: Mr. Dan Gatchet, Chair; Mr. Matt Ewers; Mr. Erik Hansen; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. John McCarthy; Mr. Art Swannack; Mr. Ben Wick and ex officio Aaron Hunt.

Board members not present: Mr. Leonard Barnes, Secretary Millar, and Mr. Bob Watters.

Interested parties present: Mr. Ron Pate, WSDOT; Mr. Chris Herman, WPPA

WELCOME

Chair Dan Gatchet called the meeting to order at 9:31 a.m.

ROLL CALL

Ms. Workman conducted the roll call. There were eight voting members and one non-voting member present. Quorum obtained.

CONFERENCE CALL PROTOCOL

Director Ziegler reviewed the following conference call protocols:

- Mute the phone when not speaking
- Identify yourself when speaking
- Allow time for others to finish speaking

MEETING PURPOSE

Chair Gatchet reviewed the following purposes for this special board meeting:

- Board member discussion of House Bill 1897-Proposed legislation for triple trailer pilot program
- Assess Board member positions on HB 1897
- Possible motion on FMSIB's position on HB 1897
- Evaluate today's call for use on future legislative and/or policy questions that arise

HOUSE BILL 1897 SUMMARY

Director Ziegler shared that the Washington Trucking Associations (WTA) has requested FMSIB's support of HB 1897. Director Ziegler then provided an overview of the bill, which proposes WSDOT develop a five-year pilot program for triple trailers. The pilot would end in June of 2024, and WSDOT would be required to provide annual reports of progress.

BOARD DISCUSSION

Mr. Ewers stated that this bill is very restrictive and does not allow triple trailers on every Washington State highway.

Mr. Hellman asked for clarification on where triple trailers could be used. Director Ziegler pointed out that the legislation states the triple trailers can be used on “designated public highways.” Mr. Ewers stated that WSDOT would designate which highways.

Mr. Hellman inquired about the criteria for evaluating the program. Director Ziegler referred to the measures WSDOT will consider as stated in the bill, i.e., volume, impacts on highway safety, traffic movement, and the environment.

Mr. Pate shared that this is not a new issue for WSDOT and that they are working on testimony now. In 1991, federal legislation provided a freeze on the length and weight of trailers on the Interstate and National Highway System. Federal Highway Administration (FHWA) says that triple trailers are not allowed unless they were in place prior to 1991. The Washington State Legislature cannot change federal law. If the freeze is violated, FHWA could withhold 7 percent of the state’s federal funds, which is approximately \$50 million. UPS is very supportive of triple trailers, Old Dominion committed to doubles, and Frito-Lay has now changed their position to non-supportive. Oregon and Idaho had triples before 1991.

Mr. John McCarthy shared his concerns about pollution, congestion, and safety, particularly on I-5.

Mr. Hellman asked if there are any state agencies actively supporting this bill. Director Ziegler stated that there is none at this time. He has heard concerns from WSDOT, Washington State Patrol (WSP), and Washington Transportation Safety Commission (WTSC).

Chair Gatchet shared that as former trucker; he has an inherent bias and has to be as neutral as possible. Three years ago, FMSIB did not fund a Port of Everett project to add a rail spur because FMSIB would be choosing winners and losers, one port or one mode over another. In Chair Gatchet’s opinion, this bill pits one mode against another. At the national level, the debate pits rail against trucking. FMSIB has a good working relationship between modes and FMSIB needs to be cautious about picking one mode over another.

Mr. Swannack stated that FMSIB’s focus should be on first/last mile, efficiency of freight movement, and the effects on infrastructure. He does not see this as picking one mode over another. Safety is not a primary focus of FMSIB: that is more of a WSP and WTSC concern. FMSIB should not necessarily cave because feds do not like it. Eastern Washington sees lots of trucking switching trailers for westbound freight. In the future, this could happen at Ellensburg for instance. Mr. Swannack does not have a problem with triples. The bridges can handle triples and they provide less weight on pavements. The downside, however, is when triples have to pull over in high winds.

Mr. Pate stated that WSDOT’s Bridge Division is looking at the impact on bridges.

Mr. Hellman stated that BNSF has not taken a position on triples at this point. The rail industry, in general, has a long history of opposing triples. The two modes do compete, and there will be a very robust discussion between the modes. As a FMSIB member, Mr. Hellman is still trying to understand what the bill does. The potential to put federal funds in jeopardy should be a concern for FMSIB. Other state agencies are going to oppose it.

Mr. Ewers shared that this the first time he has heard comments about federal pre-emption and this is a big concern. Triples definitely improve efficiency, but he would like to hear WSDOT's analysis on bridges and federal funding.

Mr. Pate stated that WSDOT is still collecting stats and coordinating with WSP. WSP has concerns about truck water spray and length issues. He spoke with Sheri Call (WTA) about examples from other states and there are not any.

Mr. John McCarthy made a motion that FMSIB not take a position on House Bill 1897 at this time. Mr. Johan Hellman seconded the motion.

Mr. Matt Ewers and Mr. Art Swannack expressed support of this motion until more information is available on the potential effects on federal funding.

Roll call in support of the above motion: eight voted in support of the motion and WSDOT abstained (Secretary Millar not present).

MOTION CARRIED

EVALUATION OF THIS CONFERENCE CALL MEETING PROCESS

Director Ziegler queried the members to provide feedback on the process used to setup and conduct a board meeting via conference call.

Mr. McCarthy stated it worked very well and he appreciated the good time management by Chair Gatchet.

Mr. Swannack said the information was available in timely manner, which allowed time for members to review. In the future, he recommended members provide questions ahead of time.

Chair Gatchet thanked Director Ziegler and Gena for putting this special meeting together so quickly.

Chair Gatchet adjourned the meeting at 10:06 a.m.

MEETING ADJOURNED

Dan Gatchet
Chair

Attest: Director Ziegler

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

CURRENT BIENNIUM 17-19 Budget \$ 835,000

Expenditure Detail through: February 28, 2019

	Biennium Appropriation July 1, 2017 - June 30, 2019	Biennium Allotments thru Feb 28, 2019	Actual Expenditures thru Feb 28 2019	Biennium To Date Dollar Variance
FMSIB Budget				
Salary	528,000	440,000	421,451	18,549
Travel	57,000	47,500	28,044	19,456
Goods & Services	145,000	120,833	74,116	46,718
Personal Service Contracts	105,000	90,786	100,052	0
Total Thru Feb 28 2019	\$ 835,000	699,120	623,663	84,723
	Budgeted Expenditures July 1, 2017 - June 30, 2019	Budgeted Expenditures thru Feb 28 2019	Actual Expenditures thru Feb 28 2019	Biennium To Date Dollar Variance
Expenditure Detail				
Salaries:				
Staff Salary	528,000	440,000	421,451	18,549
Total Salary	\$ 528,000	440,000	421,451	18,549
Travel:				
Staff Travel	27,000	22,500	13,367	9,133
Board Travel	30,000	25,000	14,677	10,323
Total Travel	\$ 57,000	47,500	28,044	19,456
Goods & Services:				
Other State Agency Services				
WSDOT Labor & Svcs/TIB Svcs	40,000	33,333	12,438	20,895
WS DES Services	15,000	12,500	9,034	3,466
WS TIB - Office Rent & Utilities	45,000	37,500	29,367	8,133
WS Attorney General	5,000	4,167	290	3,876
Misc. Operating Expenses				
Misc. Office, Mtg, Equipment Costs	40,000	33,333	22,986	10,347
Total Goods & Services	\$ 145,000	120,833	74,116	46,718
Personal Service Contracts:				
Consultant Expenses				
Road Rail Study	60,000	55,525	55,525	0
FY18 - 2017 Annual Report (Lund) 20,000	20,000	20,000	20,000	0
FY19 - 2018 Annual Report (Lund) 25,000	25,000	15,261	24,527	0
Total Personal Service Contracts	\$ 105,000	90,786	100,052	0
Total Thru Feb 28 2019	\$ 835,000	699,120	623,663	84,723

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

FY 2017-19 Capital Funds

	2017-19 Total	Reappropriation	18 Supplemental	Gov 17-19 supp	19 Supplemental
Motor Vehicle Funds (state)	\$ -	\$ -	\$ -		\$ -
Motor Vehicle Funds (Federal)	\$ 3,250,000	\$ -	\$ 3,250,000	\$ 1,000,000	\$ -
Freight Investment Funds (state)	\$ 22,462,000	\$ -	\$ 22,507,000	\$ 17,321,000	\$ -
Freight Multimodal Funds (state)	\$ 21,843,000	\$ 440,000	\$ 22,283,000	\$ 11,680,000	\$ -
Freight Multimodal Funds (UP)	\$ 1,320,000	\$ -	\$ 1,320,000	\$ 70,000	\$ -
Highway Safety Account	\$ 1,900,000	\$ 2,000,000	\$ 3,900,000	\$ 2,000,000	\$ -
TOTAL	\$ 50,775,000	\$ 2,440,000	\$ 53,260,000	\$ 32,071,000	\$ -

Projects currently authorized to incur expenditures

Agency	Project Title	Total FMSIB Commitment	Previous Bien Exp	2017-19 Planned Expenditures	Current biennium exp	Future Commitment
Fife	I-5/54th Ave E I/C Improvement - Ph 1A & 1B	\$ 3,000,000	\$ -	\$ 500,000	\$ -	\$ 2,500,000
Fife	Pt of Tacoma Rd Interchange Improvements Ph 1	\$ 2,334,000	\$ -	\$ 2,334,000	\$ -	\$ -
Fife	Pt of Tacoma Rd Interchange Phase 1 2	\$ 4,333,000	\$ -	\$ 4,333,000	\$ -	\$ -
Fife	Pt of Tacoma Rd Interchange Phase 3	\$ 7,533,000	\$ -	\$ -	\$ -	\$ 7,533,000
Kent	S 228th Street Extension & Grade Separation Ph 1 & 2**	\$ 9,750,000	\$ 5,250,000	\$ 1,000,000	\$ -	\$ 3,500,000
Kent	S 212th Street BN Grade Separation	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Lacey	Hogum Bay Road Improvements	\$ 1,200,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Longview	SR 432/SR 411 Intersection Improvements	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 2,100,000
Marysville	SR 529/I-5 Interchange Expansion	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Pt Seattle	Marginal/Diagonal Approach & Argo Gate	\$ 3,750,000	\$ -	\$ 2,500,000	\$ -	\$ 1,250,000
SeaTac	Connecting 28th & 24th Ave South	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -
Seattle	Lander Street Overcrossing	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 48,410	\$ -
Seattle	Duwamish Truck Mobility Improvement	\$ 2,383,000	\$ 579,091	\$ 1,803,909	\$ 1,557,145	\$ -
Skagit Co	BNSF Overpass Replacement	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 566,004	\$ -
Spokane Co	Bigelow Gulch / Forker Rd Realignment 4A/5A/6	\$ 6,000,000	\$ -	\$ 4,000,000	\$ 392,702	\$ 2,000,000
Spokane Co	Park Road BNSF Grade Separation	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Spokane Valley	Barker Rd / BNSF Grade Separation	\$ 9,000,000	\$ -	\$ -	\$ -	\$ 9,000,000
Sumner	SR 410 Traffic Ave/E Main	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000

<u>Agency</u>	<u>Project Title</u>	<u>Total FMSIB Commitment</u>	<u>Previous Bien Exp</u>	<u>2017-19 Planned Expenditures</u>	<u>Current biennium exp</u>	<u>Future Commitment</u>
Tacoma	SR 99 Puyallup River Bridge	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 2,157,760	\$ -
Tacoma	Taylor Way Rehabilitation	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000
Tukwila	Strander Blvd/SW 27th to West	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
TOTAL		\$ 93,883,000	\$ 8,929,091	\$ 32,070,909	\$ 5,322,021	\$ 52,883,000

Union Pacific Details:

Contribution		\$ 3,650,000	\$ 2,330,000	\$ 1,320,000	\$ -	\$ -
Kent	S 277th St (2003-05)	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -
Tacoma	D Street Grade Separation (swapped w/Tukwila, 180th St)	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
Union Pacific	Payment (cancelled Pierce Co 8th Ave S)	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -
Pt Seattle	East Marginal Way Ramps	\$ 480,000	\$ 480,000	\$ -	\$ -	\$ -
Pt Seattle	Marginal/Diagonal Approach & Argo Gate	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -
Kent	Willis Street Grade Separation	\$ -	\$ -	\$ -	\$ -	\$ -
Kent	S 212th St	\$ -	\$ -	\$ -	\$ -	\$ -
Kent	228th Street Extension and Grade Separation**	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -
Current planned UP Commitments Total		\$ 3,650,000	\$ 2,330,000	\$ 1,320,000	\$ -	\$ -

FMSIB GRAND TOTAL	\$ 97,533,000	\$ 11,259,091	\$ 32,070,909	\$ 5,322,021	\$ 52,883,000
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Funds Remaining

\$ 47,937,979

Completed / substantially complete

<u>Agency</u>	<u>Project Title</u>	<u>Total FMSIB Commitment</u>	<u>Previous Bien Exp</u>			<u>Savings</u>
Auburn	M St SE Grade Separation (1/14)	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	-
Benton Co	Pt Kennewick/Piert Rd (7/09)	\$ 65,520	\$ 61,320	\$ -	\$ -	4,200
Benton Co	Piert Road Extension (12/13) (refund)	\$ 459,000	\$ 458,680	\$ (72,666)	\$ -	72,986
Colville	Colville Alternate Truck Route (4/13) (refund)	\$ 2,000,000	\$ 2,000,000	\$ (93,371)	\$ -	93,371
Des Moines	S 216th St Segment 1-A (7/18)	\$ 892,000	\$ 673,337	\$ -	\$ -	218,663
Everett	E Marine View Drive Widening (1/13)	\$ 600,000	\$ 600,000	\$ -	\$ -	-
Everett	Port of Everett to I-5 Improvements (8/18)	\$ 400,000	\$ 400,000	\$ -	\$ -	-
Fife	70th & Valley Ave Widening/SR 167 Alternate (8/12)	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	-
King Co	South Park Bridge (2/17)	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	-
Longview	SR 432/433 Turn Lanes (11/10)	\$ 650,000	\$ 650,000	\$ -	\$ -	-
Pt Seattle	East Marginal Way Ramps (9/13)	\$ 7,400,665	\$ 7,400,329	\$ -	\$ -	336
Pt Seattle	East Marginal Way Truck Access (8/15)	\$ 994,000	\$ 994,000	\$ -	\$ -	-
Pt Tacoma	Lincoln Ave Grade Separation (5/12)	\$ 10,200,000	\$ 10,200,000	\$ -	\$ -	-
Pt Vancouver	Bulk Facility Track Location (8/18)	\$ 3,450,000	\$ 3,450,000	\$ -	\$ -	-
Pt Vancouver	West Vancouver Freight Access (3/11)	\$ 3,700,000	\$ 3,700,000	\$ -	\$ -	-
Pt Vancouver	Rail Tie-In to Mainline (WVFA) (8/15)	\$ 6,300,000	\$ 6,300,000	\$ -	\$ -	-
Puyallup	Shaw Rd Extension (6/14)	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	-
Renton	Green Valley BNSF (7/15)	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -	-
Renton	Strander Blvd/SW 27th St Connection (6/18)	\$ 6,500,000	\$ 6,496,872	\$ -	\$ -	3,128
Seattle	Duwamish Intelligent Transportation Systems (11/11)	\$ 2,500,000	\$ 2,293,032	\$ -	\$ -	206,968
Snohomish Co	Granite Falls Alternate Route Ph 1 & 2 (3/12)	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	-
Spokane	Freya Street Bridge (10/11)	\$ 2,720,000	\$ 2,136,423	\$ -	\$ -	583,577
Spokane	Havana St/BNSF Separation (7/2015)	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	-
Spokane Valley	Sullivan Road W. Bridge Replacement (5/18)	\$ 2,000,000	\$ 1,560,000	\$ -	\$ -	440,000
Walla Walla Co	SR 125/SR 12 Interconnect-Myra Rd Ext (7/09)	\$ 4,230,000	\$ 4,230,000	\$ -	\$ -	-
Walla Walla/ College Place	Myra Rd at Dalles Intersection (12/14)	\$ 500,000	\$ 500,000	\$ -	\$ -	-
Woodinville	SR 202 Corridor-SR 522 to 127th PI NE (6/14)	\$ 750,000	\$ 750,000	\$ -	\$ -	-
WSDOT	SR99/Spokane St Bridge/Replace	\$ 2,700,000	\$ 2,300,000	\$ -	\$ -	400,000
Yakima	Grade Separated Rail Crossings (5/15)	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -	-
Yakima	River Rd Improvements - 6th Ave to 16th Ave	\$ 640,000	\$ 639,000	\$ -	\$ -	1,000

FMSIB 17-19 Capital Program Delivery Risk Assessment - Sorted by Size (Cost in \$1,000)

					Report Date: 1/18/2019			Report Date: 3/15/2019		
Agency	Project Title	Total Cost	Date Awarded	17 - 19 Planned Expend.	17-19 Phase / Status	Delivery Risk	Forecast	17-19 Phase / Status	Delivery Risk	Forecast
Seattle	S Lander St Grade Separation	\$ 140,000	2016	8,000	CN: 12-19 completion. Shaft drilling and utility delays affecting 17-19 expenditures.		1,714	CN: 12-19 completion. Shaft drilling and utility delays affecting 17-19 expenditures.		1,714
Spokane Co	Bigelow Gulch / Forker Rd Realignment	\$ 24,400	2010	5,900	Substantially complete. Awaiting full reimbursement request.		4,000	Substantially complete. Awaiting full reimbursement request.		4,000
Tacoma	SR 99 Puyallup River Bridge	\$ 38,760	2009	5,000	DB / CN Start 6-18 / 6-19 completion.		4,000	DB / CN Start 6-18 / 6-19 completion.		4,000
Kent	S 228th Street Extension & Grade Separation Ph 1 & 2	\$ 25,000	2004	4,500	CN: Phase 1 complete / Phase 2 completion 9-20. FMSIB funds must be expended by 6/30/19.		4,500	CN: Phase 1 complete / Phase 2 completion 9-20. FMSIB funds must be expended by 6/30/19. City advised they need funding in 2019-21.		1,000
Fife	Port of Tacoma Rd Interchange Phase 2 (64-1)	\$ 35,361	2010	4,333	CN / Ad 1-18 / 11-20 completion. City confirmed expend plan due to accelerated federal funds. 10/29: City says only 50% of funds will be spent this biennium)		2,167	CN / Ad 1-18 / 11-20 completion. City confirmed expend plan due to accelerated federal funds. 10/29: City says only 50% of funds will be spent this biennium)		2,167
Fife	Port of Tacoma Rd- Interchange Improvements - Phase 1 (64-1)	\$ 35,361	2010	2,334	CN / Ad 1-18 / 11-20 completion. City confirmed expend plan due to accelerated federal funds. 10/29: City says only 50% of funds will be spent this biennium)		1,167	CN / Ad 1-18 / 11-20 completion. City confirmed expend plan due to accelerated federal funds. 10/29: City says only 50% of funds will be spent this biennium)		1,167
Pt Seattle	Marginal/Diagonal Approach & Argo Gate	\$ 8,068	2009	3,750	CN / Contract awarded / Project closeout tour schedule for 1/31/19.		3,750	CN / Contract awarded / Project closeout Tour completed 1/31/19. Schedule follow-up in spring to view gate activation.		3,750
Fife	I-5/54th Avenue E I/C Improvement - Phase 1	\$ 23,700	2016	3,000	Design / CN. Completion scheduled 4-19		500	Design / CN. Completion scheduled 4-19		500
Kent	S 212th St BN Grade Separation	\$ 27,000	2004	2,500	Design 30% / CN start mid-2020 / Not fully funded. Board deferred project in 2014, not sure why it was funded in 17-19.		0	Design 30% / CN start mid-2020 / Not fully funded. Board deferred project in 2014, not sure why it was funded in 17-19. Eligible for Cancellation in 2020.		0
Tukwila	Strander Blvd/SW 27th to West Valley	\$ 38,604	2010	2,400	Design / 90% by 12-18 / Not fully funded. Project cost now \$73.5 m. City performing a VE study (Results 3-19). (Not sure why FMSIB funding authorized in 17-19).		0	Design / 90% by 12-18 / Not fully funded. Project cost now \$73.5 m. City performed VE study Jan. 24. (Not sure why FMSIB funding authorized in 17-19).		0
Skagit Co	Burlington Northern Overpass Replacement	\$ 19,200	2016	2,000	CN / Nov. 2018 substantial completion		2,000	CN / Nov. 2018 substantial completion		2,000
Seattle	Duwamish Truck Mobility Improvement	\$ 16,031	2003	1,758	CN / 1-18 substantial completion. Billings not likely to exceed \$1.557 m		1,557	CN / 1-18 substantial completion. Billings not likely to exceed \$1.557 m		1,557
Sumner	SR 410 Traffic Ave/E Main	\$ 18,540	2016	1,250	Design / 90% complete / 100% funded. Ad date advanced to Feb. 2019. No 17-19 expenditures		0	Design / 90% complete / 100% funded. Ad date advanced to Feb. 2019. No 17-19 expenditures		0
Longview	SR 432/SR 411 Intersection Improvements	\$ 3,540	2007	1,200	Design 50% complete. Ad date set for June 2019. No 17-19 expenditures		0	Design 50% complete. Ad date set for June 2019. No 17-19 expenditures		0
Lacey	Hogum Bay Road Slip Ramp & Road Improvements	\$ 8,450	2015	600	CN / FMSIB funding expended		600	CN / FMSIB funding expended		600
Planned		462,015		48,525	Forecasted		25,955	Forecasted		22,455
							53%			46%
Historical Note:		FMSIB capital delivery for the last five biennia has averaged 29% of the biennial appropriation. Last tbiennum (15-17) it was 36%								

FMSIB Director's Report

March 15, 2019

(Last Report : January 18, 2018)

FMSIB Member Appointments

Chair Gatchet was invited to meet with the Governor's Office on February 20. In addition to the Chair's reappointment, the Governor is expected to make appointment to the vacant Counties position. The Association of Counties was to have sent four names to the Governor on Feb. 23. We continue to have weekly conference calls with the Governor's Office to receive updates on progress of these two remain issues.

Project Status Updates

Port of Seattle – East Marginal / Diagonal / ARGO Rail Yard

The final phase of this multi-phase project should be completed early this year. I completed a project tour January 31 and will provide a detailed briefing at this month's Board meeting.

Port of Kalama – Industrial Rail Additions

This project was awarded \$2.4 million in FMSIB's 2018 Call for Projects. It adds rail capacity to the TEMCO Grain Facility to remove trains from the mainline faster and provide quicker unloading with a second grain car dump facility. The Port will provide a tour of this and other projects at the March meeting.

City of Kent – S. 228th Street Grade Separation (UPRR)

This grade separation project has languished since the 2004 FMSIB award. The federal funds are in danger of lapsing, so the Board requested a status briefing from City. The City attended the Board's September meeting in Walla Walla to provide a progress report on development of this project and to assure the Board that the federal funds would be expended by June 30, 2019. Recent development on that project schedule now mean that the federal funding expenditure will spill over well beyond June 30. As a result, I am working with House and Senate staff to ensure FMSIB's 2019-21 Budget submittal (prepared last fall) accommodates this delayed project schedule so that federal funds are not lost.

JTC Air Cargo Study

The January 18, 2019 Director's Report provided much of the background on this study. I have met twice with legislative staff and once with the sponsoring senator to discuss potential future roles for FMSIB. Included in those conversations have been representatives from the WSDOT Aviation Division and the Dept. of Commerce. The three state agencies and the senator have agreed on a proposal to fund an ongoing effort aimed at coordination of air cargo interests and marketing of air cargo in Washington. If funded in both the Transportation and General Fund budgets, these coordination and marketing efforts will include FMSIB participation in the air cargo coordination element.

Codification Legislation

FMSIB, TIB, and CRAB are continuing to collaborate on legislation that would make permanent the 2015 Connecting Washington revenue increases for each of the agencies. A bill was introduced but did not pass in the 2018 session. Two bills were introduced in the 2019 session (HB 2896 and SB 6830) and heard in their respective Transportation Committees. They did not survive the March 1 cutoff for Fiscal Committees.

FMSIB 20th Anniversary Recognition

FMSIB's freight partners funded and TVW produced a 30-second promotional spot on the TVW network. This spot has been airing since the beginning of the year. Our contract with TVW calls for approximately 350 airings throughout 2019. The quoted TVW fee for this sponsorship is \$25,000. To date, I have preliminary commitments from FMSIB partners for \$22,500, of which \$12,500 has already been invoiced by TVW. At the Board meeting, I will provide more updates on the financing and request Board direction on next steps.

On a related note, I became aware of another opportunity to acknowledge FMSIB for 20 years of service to freight mobility. Some of you may be aware of a website HistoryLink.org. The writers and historians there contract to provide articles on historical events, people, and organizations. The types of articles commonly produced by and posted on HistoryLink.org include the following:

Feature Article / \$2,750

A feature article is an essay of up to 4,000 words. These essays tell the stories of people, places, events, and organizations.

Timeline Entry / \$1,250

A timeline entry is an essay of up to 1,500 words. These briefer essays are organized by date and become part of our chronology of Washington State history, which provides a sense of how the event relates to other things happening across the state.

I ask that the Board consider whether they would like staff to work with HistoryLink.org to prepare a 20-year anniversary written history of FMSIB.

New Law Transportation Budget Proposal

This package of three bills (SB 5970, SB 5971, and SB 5972) provides new funding for several state and local transportation needs for the next 10 years. FMSIB is provided an addition \$10 million per biennium. Ironically, the money is codified in the legislation.

I attended Senator Hobbs' hearing on this bill, signing in support of, but not testifying on, SB 5972 (the appropriations bill, which allocates the funding to FMSIB). I did not sign in on the other two bills. SB 5970 provides bonding authority (FMSIB is not affected). In addition, SB 5971 raises several fees, including weight fees (and the Board has not discussed a position on this topic, though it would be a great workshop topic in May). Testimony on the package of bills on Feb. 28 was mostly supportive.

Specific to freight mobility, several interesting projects are funded:

1. I-5, Columbia River Bridge Replacement (\$3.2 b)
2. State Highway Preservation Program (\$1.0 b)

3. PCC Rail Line Rebuild to Class II (\$150 m)
4. I-5, Port of Tacoma Rd. I/C (\$20 m)
5. Tacoma, Puyallup River Bridge (\$110 m)
6. Pierce County, Canyon Road Regional Connector (\$50 m)
7. Port Competitiveness Grants (\$100 m)

In addition to these projects, the bill is expected to address several key policy issues:

1. Accelerates completion of the Puget Sound Gateway Project (SR-167 and SR-509 completions).
2. Codifies the new revenue for FMSIB, and
3. Directs WSDOT to conduct the pilot on triple trailer use in Washington.

The Senate Transportation Committee passed all three bills out of committee, the revenue bill (SB 5971) mostly on a party-line vote.

2018 Annual Report Mailings

Gena worked diligently to assemble and mail out over 750 copies of our 2018 Annual Report. Here is a summary of those distributions:

Printed Copies

RECIPIENT	NUMBER of Copies Sent
Congressional Members	12
County Commissioners	46
County Public Works Directors	42
Ports	58
Project Leads	35
Misc	39
WA State Library	2
Prior Board Members (20 th anniversary only)	21
Total	255

Electronic Copies

RECIPIENT	NUMBER of Copies Sent
Board Members, Board Member Assistants/Others, Interested Individuals	47
Cities ~ AWC Newsletter Distribution	281
Congressional Transportation Advisors	12
House & Senate Transpo Committee Members the Board <i>did not</i> meet with	15
Ports	57
Misc	2
WAFAC ~ Contact List	68
WA State Library	1
Prior Board Members	8
Total	491

Freight Mobility Outreach (Meetings and Conferences)

In order to better understand the freight mobility issues affecting our customers, I attended the following meetings, conferences or seminars:

- Made FMSIB 101 presentations to the Senate Transportation Committee (1/21), House Transportation Committee (1/23), and Transportation Commission (1/24).
- Reviewed the Union Pacific Argo Gates project in Seattle (1/31). A detailed discussion will be provided at the Board meeting.
- Attended several House and Senate hearings on FMSIB-related legislation. Details have been provided in my weekly legislative updates to the Board.
- Met with House and Senate budget staff to discuss details of FMSIB budget for 2019-21 Biennium (2/5).
- Planned and convened Special Meeting of FMSIB to discuss position on Triple Trailer legislation (2/15).
- Participated in CAGTC conference call to review CAGTC Reauthorization Platform for the next federal transportation act (2/19).
- Met with Rep. Fey at his request to discuss potential legislative interim discussion on freight issues (2/20).
- Attended hearing on Sen. Hobbs' transportation funding package - SB 5970, SB 5971, and SB 5972 (2/28).
- Attended Executive Session on Sen. Hobbs' transportation funding package - SB 5970, SB 5971, and SB 5972 (3/6).
- Presented FMSIB 101 to the Washington Highway Users Federation (WHUF) (3/13).

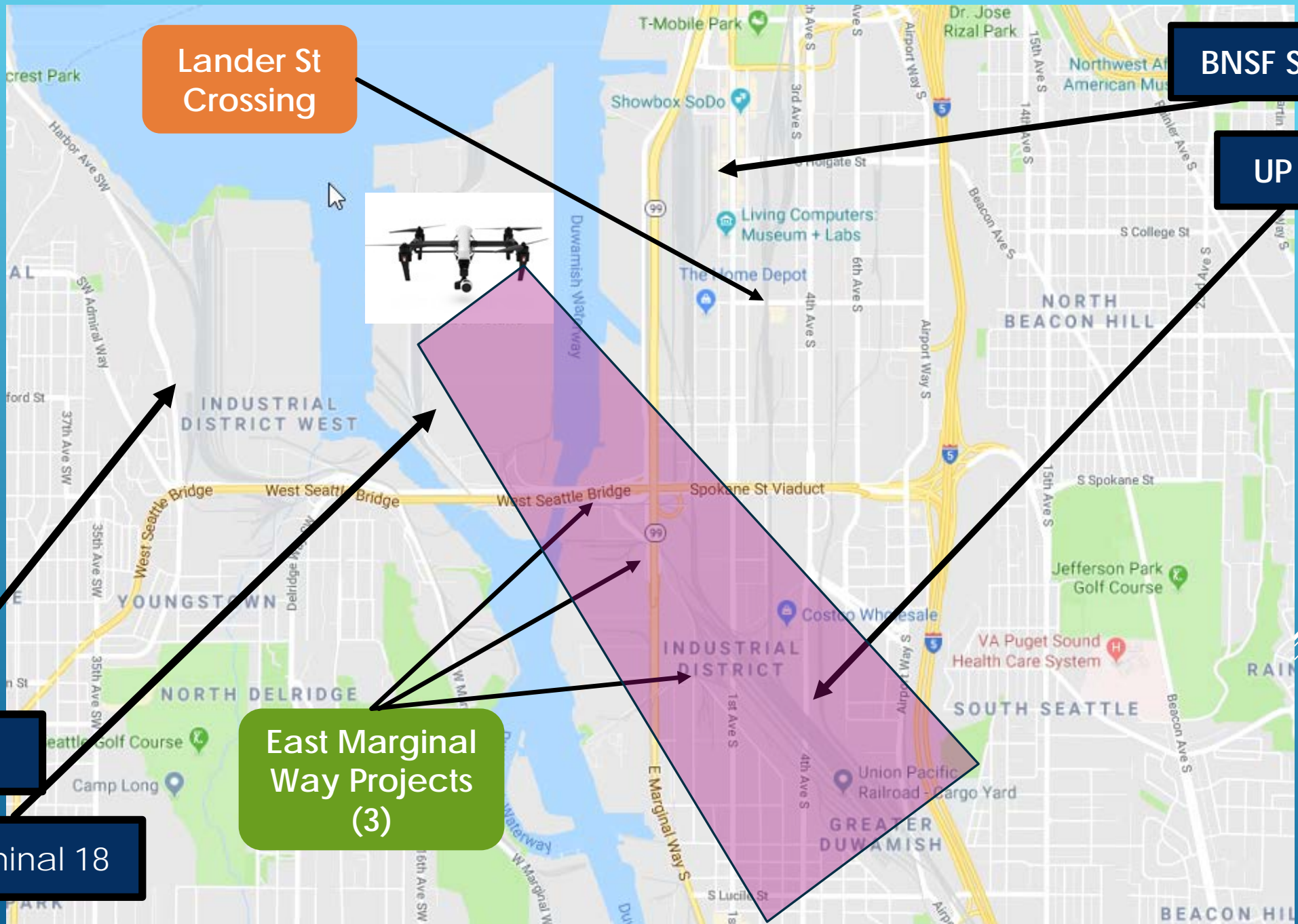
EAST MARGINAL WAY TO ARGO PROJECT SUMMARY

A Freight Mobility Idea –
in Three Phases



- Terminal 5
- Terminal 18
- BNSF SIG Yard
- UP Argo Yard

- Terminal 5
- Terminal 18
- BNSF SIG Yard
- UP Argo Yard



Lander St
Crossing

BNSF SIG Yard

UP Argo Yard

Terminal 5

Terminal 18

East Marginal
Way Projects
(3)



Before



An aerial photograph of a large industrial and transportation facility, likely a port or a major logistics hub. The image shows a complex network of roads, including a multi-lane highway in the foreground and several overpasses. Large industrial buildings with flat roofs are scattered throughout the area. In the background, there are mountains under a clear sky. Three white arrows point from text boxes to specific features: one to a set of gates, one to a truck crossover, and one to a set of ramps.

Diagonal and
ARGO Yard
Gates

East Marginal Way
Truck Crossover

East Marginal
Way Ramps
(ca. 2012)



East Marginal
Way Ramps
(ca. 2012)

PLAY ANIMATION

Depicts benefits of E. Marginal Way Ramp Improvements and (at the time) proposed improvements to SR-99 Viaduct.

*(Animation produced by the Port of Seattle
ca. 2012)*

Diagonal and
ARGO Yard
Gates

East Marginal Way
Truck Crossover

East Marginal Way Ramps
(ca. 2012)

After



ARGO YARD TOUR





UP CONTRACTOR LEADS TOUR OF ARGO YARD IMPROVEMENTS



RECEPTION OFFICE IN NEW
ADMIN. BLDG.



CONTAINER STORAGE AND ACCESS
TO ADMIN. BUILDING



CONTAINER STORAGE IN ARGO YARD



ACCESS TO ARGO AT NEW VIDEO
PORTAL BUILDING



IMPROVED SIX-LANE
RECEIVING FACILITY



DRIVER AND FREIGHT RECEIVER
COMPARE PAPERWORK



DRIVER AND RECEIVER
CONFIRM TRUCK AND
CONTAINER LABELS



VIDEO EXIT PORTAL

EXIT PORTAL



EAST MARGINAL WAY TO ARGO PROJECTS

Phase	Total Cost (\$ Million)	FMSIB Share (\$ Million)	Awarded	Completed	Delivery Time
E. Marginal Way Ramps	33.47	6.9	1999	2012	13
E. Marginal Way Truck Crossover	7.29	0.99	2012	2014	2
E. Marginal / Diagonal and Argo Gates	8.07	3.75	2009	2019	10
TOTAL	48.73	11.64			

Legislative Update for March Board meeting

March 15, 2019

Bill No.	Title	FMSIB Connection	Status (eff. 3/6/19)	What to watch for?
HB 1508 SB 5521	Concerning the distribution of Connecting Washington funds to local and state transportation agencies	Places FMSIB's Connecting Washington funding (\$17 m per biennium) into statute	Both bills remain in Committee	Very slight chance the issue could be addressed in the CLB language. Already included in Hobbs' NLB proposal
SB 5370	Creating a state commercial aviation coordinating commission	Defines a position on the commission for FMSIB	Rules	Commission schedule quite aggressive
HB 1897 SB 5830	Concerning vehicle combinations that may be operated on public highways	Policy interest	Rules (Senate)	Potential FMSIB role in developing, implementing, and reporting on the pilot program
HB 1712 SB 5883	Authorizing vehicles or combinations of vehicles carrying farm products to exceed total gross weight limits by two thousand pounds	Policy interest	Rules (Senate)	
SB 5506	Concerning parking at rest areas	Policy interest	Rules (Senate)	Good for trucks
SB 5579	Concerning the volatility of crude oil received in the state by rail	Policy interest	Passed Senate	House action and possible federal pre-emption
TBD	Budget proviso implementing JTC Air Cargo Study	Current proviso language requires work to be coordinated with FMSIB	Awaiting inclusion in the Transportation and General Fund budgets	Monitor budgets at end of March
TBD	Current Law and Agency Request Transportation Operating Budget	Provides FMSIB's Operating appropriations	Revenue forecast March 20 Budgets due March 25	Ensure \$50,000 decision package for potential FMSIB staff transition is included
TBD	Current Law and Agency Request Transportation Capital Budget	Provides FMSIB's Capital appropriations	Revenue forecast March 20 Budgets due March 25	Ensure Kent's two funding sources for the S. 228 th Crossing are included
SB 5970 SB 5971 SB 5972	New Law Transportation Budget	Provides additional \$5 million per biennium to FMSIB projects (codified)	Senate Transportation passed out of Committee March 6	Inclusion of additional freight mobility related issues (like triple trailer pilot, Gateway Program acceleration, etc.)

Freight Mobility Strategic Investment Board

March 15, 2019



Leadership

▣ Three Commissioner Board

- Alan Basso, President
- Troy Stariha, Vice President
- Randy Sweet, Secretary



- ## ▣ *Our Mission:* To induce capital investment in an environmentally responsible manner to create jobs and to enhance public recreational opportunities.

Mission

- ▣ **Induce Capital Investment**
 - Private capital becomes tax base
 - ▣ Supports schools, roads, police, fire, services
- ▣ **Environmentally Responsible**
 - Healthy place to live
- ▣ **Create Jobs**
 - Family wage employment
- ▣ **Public Recreation**
 - Port “dividends” – everyone in community receives value from the Port’s activities
- ▣ ***Why?* Our community is a better place to live because of what we do.**

Quick Facts

- ▣ Own about 1,000 acres of property
- ▣ 7 miles of shoreline 4 deep-draft marine terminals
 - Navigable waters to 43' draft ships
 - 2 grain, 1 steel, 1 bulk chemicals
- ▣ 35 businesses located in the Port area
 - Grain export, steel processing, lumber, chemicals, concrete products, compressed gases, wood protection, telecom, log home manufacturing, truck and trailer repair, distribution, pump manufacturing, fuel dispensing, glass products, electronics recycling, steel fab, specialty crates, aerospace
 - CHS, Conagra, Owens Illinois, Nippon Steel, Bluescope
- ▣ Over 1,200 employees
- ▣ No taxes levied



Marine Cargo

- ▣ **Bulk Chemicals**
- ▣ **Steel –**
 - 400,000 tons of steel processed and distributed throughout western United States
 - ▣ Steelscape imports coils from Australia and Japan
 - Cold rolled, galvanized and painted
- ▣ **Timber/Lumber**
 - Logs inbound by barge
 - Lumber outbound by barge
- ▣ **Grains**
 - Corn, soy and wheat
- ▣ **15.5 million tons in 2018**



Tourism & Recreation

- ▣ 222 slip marina
- ▣ 5 access points for fishing
- ▣ 2 waterfront parks
 - Playgrounds
 - Picnic shelters
 - Tennis, basketball, volleyball courts
 - Totem poles
 - Historic panels
- ▣ 2.5 miles of pathways
- ▣ Haydu Park



Economic Impact

IMPACT SUMMARY
PORT OF KALAMATA AND EXISTING AND KNOWN TENANTS
State of Washington

Impact Type	Employment	Labor Income	Total	
			Value Added	Output
Direct Effect	1,220.0	\$129,560,631	\$362,400,845	\$2,383,690,418
Indirect Effect	2,156.1	\$150,356,094	\$257,931,155	\$517,811,326
Induced Effect	1,398.6	\$69,191,413	\$127,104,688	\$217,363,842
Total Effect	4,774.7	\$349,108,139	\$747,436,688	\$3,118,865,586

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Johnson Economics – Economic and Fiscal Impact Analysis (2016)

FMSIB Support

- ❑ Kalama River Industrial Park (1999)
- ❑ TEMCO Rail (2004)
- ❑ TEMCO Rail Expansion Right of Way (2018)
- ❑ Cumulative Impact



Kalama River Industrial Park

- ▣ Kalama River Bridge
- ▣ Complete April 2001
- ▣ Opened commercial access to 80-acre Kalama River Industrial Park
- ▣ \$4 million project
 - \$2.156 million Rural Economic Vitality Grant
- ▣ New Industrial Building in 2018
- ▣ 207 jobs in 2018



Industrial Park Development

- ▣ Aero-Vac
- ▣ All American Containers
- ▣ Bridger Steel
- ▣ Christiansen Enterprises
- ▣ Cowlitz Container & Diecutting
- ▣ Depin
- ▣ Ecotech Recycling
- ▣ Owens Illinois
- ▣ Gardner Trucking
- ▣ Walsh Trucking
- ▣ Marco Industries
- ▣ Mattress Superstore
- ▣ MCM Consulting

Industrial Park Warehouses

■ Two new warehouses

- Up to 120,000 sf each
- First building just completed
- Multi tenant
 - Suites from 10,000 sf
 - Optional offices

■ First Building

- Two tenants moving in
- 70,000 sf leased

■ Second building

- Design planned for 2019
- Construction 2020



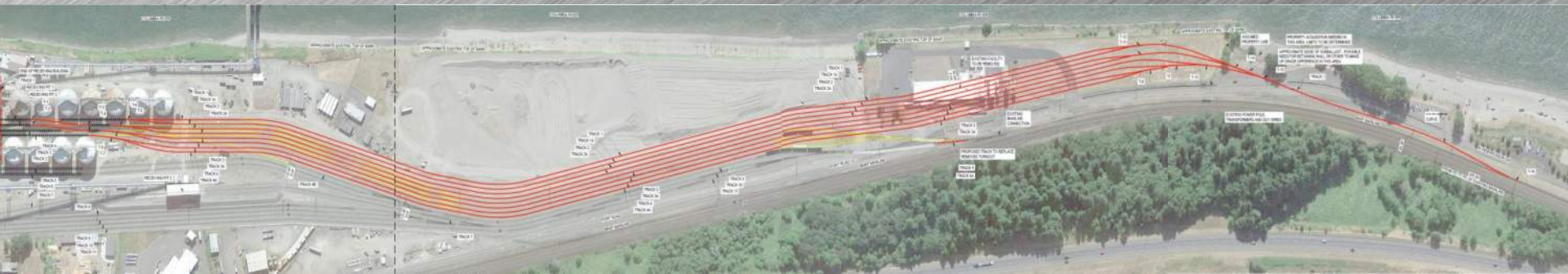
TEMCO Grain Export



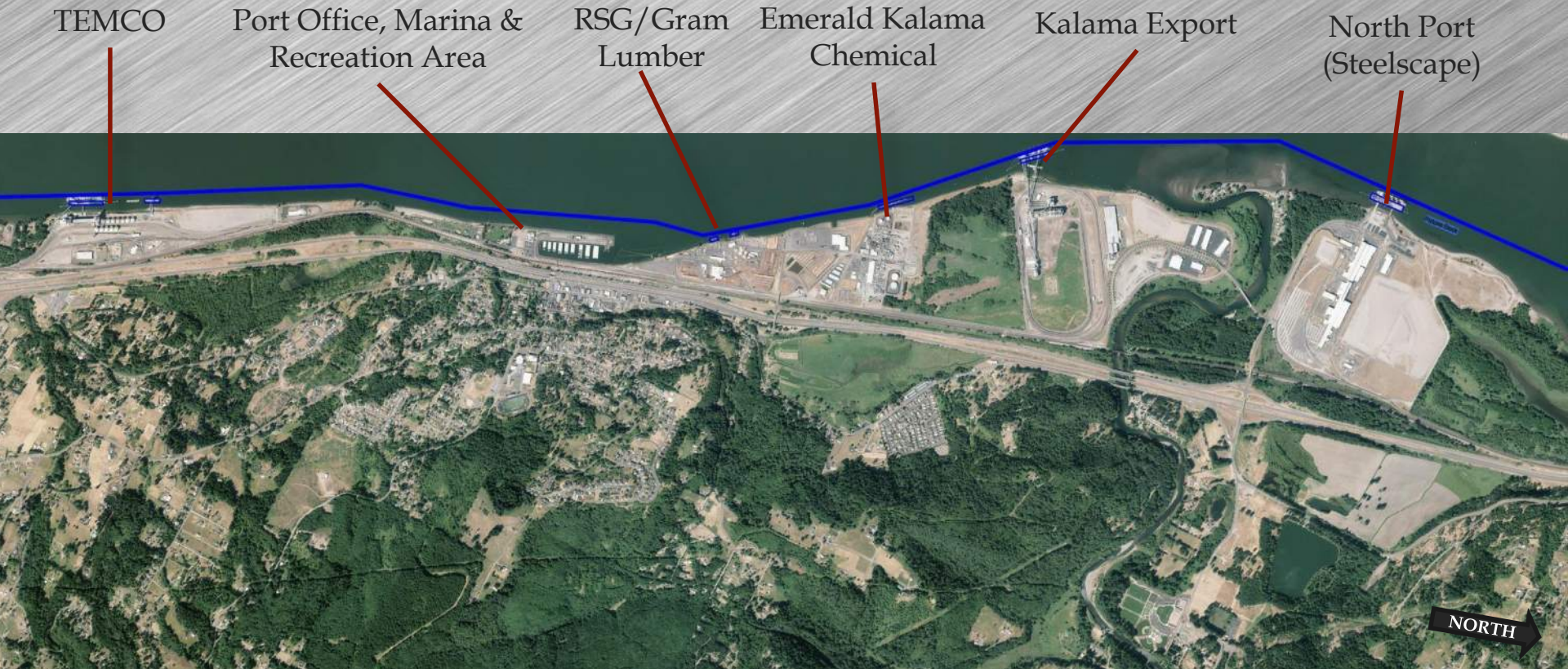
- ▣ Rail Expansion
- ▣ Complete 2005
- ▣ \$2.5 million project
 - \$1.25 million FMSIB grant
- ▣ Added 110 rail car capacity and dump pit
- ▣ Seeded revitalization of aging facility
 - \$7 million Port rail expansion investment
 - \$200 million TEMCO plant renovation investment
 - ▣ Doubled throughput capacity
- ▣ 50 TEMCO employees in 2018
- ▣ 30 WA Dept of Agriculture employees

TEMCO Grain Export

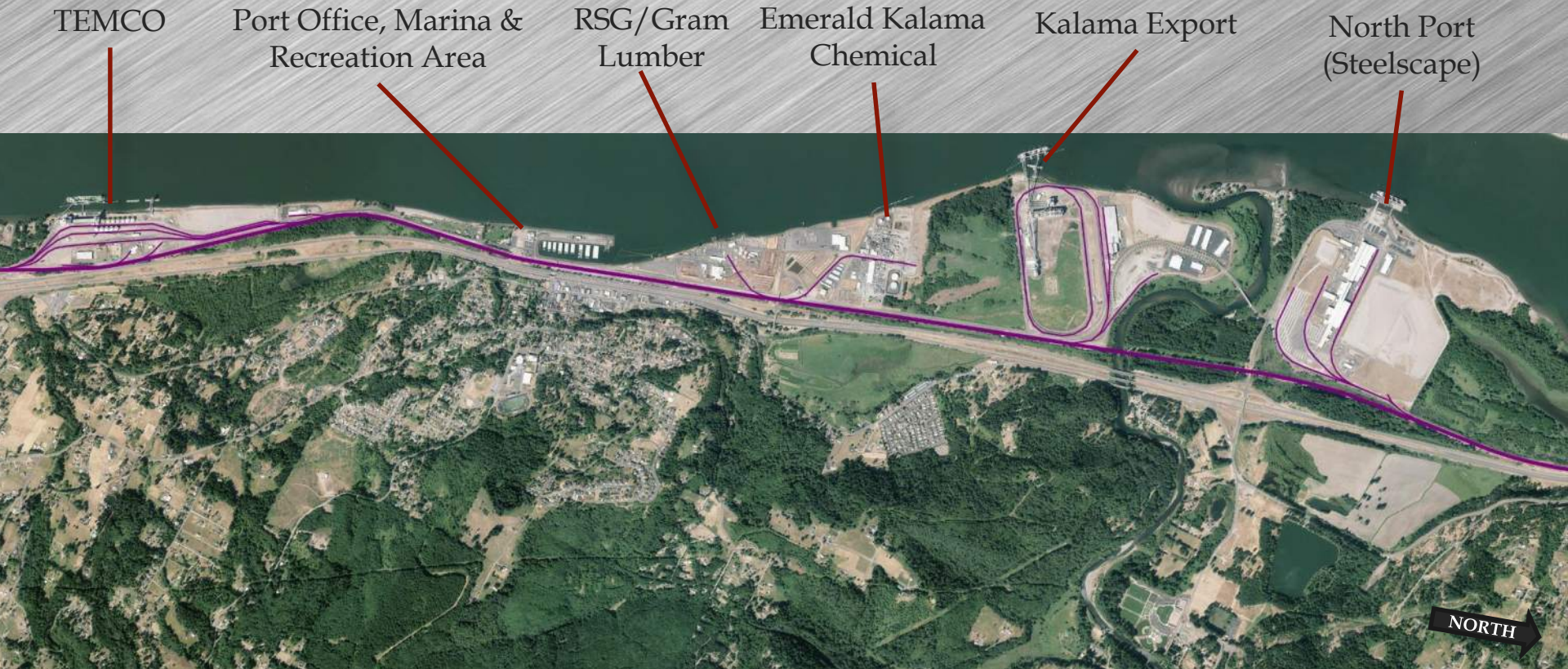
- ▣ Rail Expansion Right of Way
- ▣ Projected 2020+
- ▣ \$2.4 million FMSIB grant
- ▣ \$9.4 million TEMCO private investment
- ▣ Doubles rail storage capacity to 440 cars
- ▣ 100 additional trains per year
- ▣ 10 additional vessels per year



Marine Transportation



Rail Transportation



Highway Transportation

TEMCO

Port Office, Marina &
Recreation Area

RSG/Gram
Lumber

Emerald Kalama
Chemical

Kalama Export

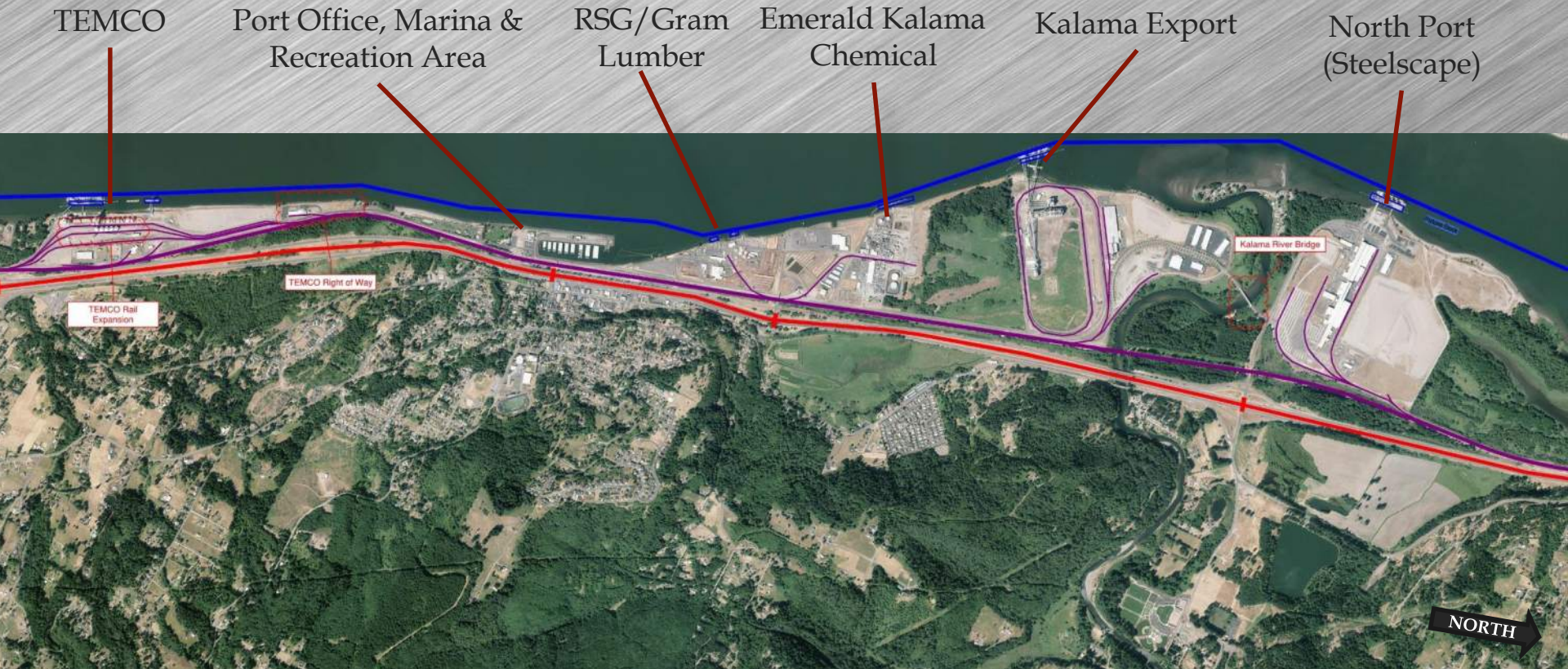
North Port
(Steelscape)



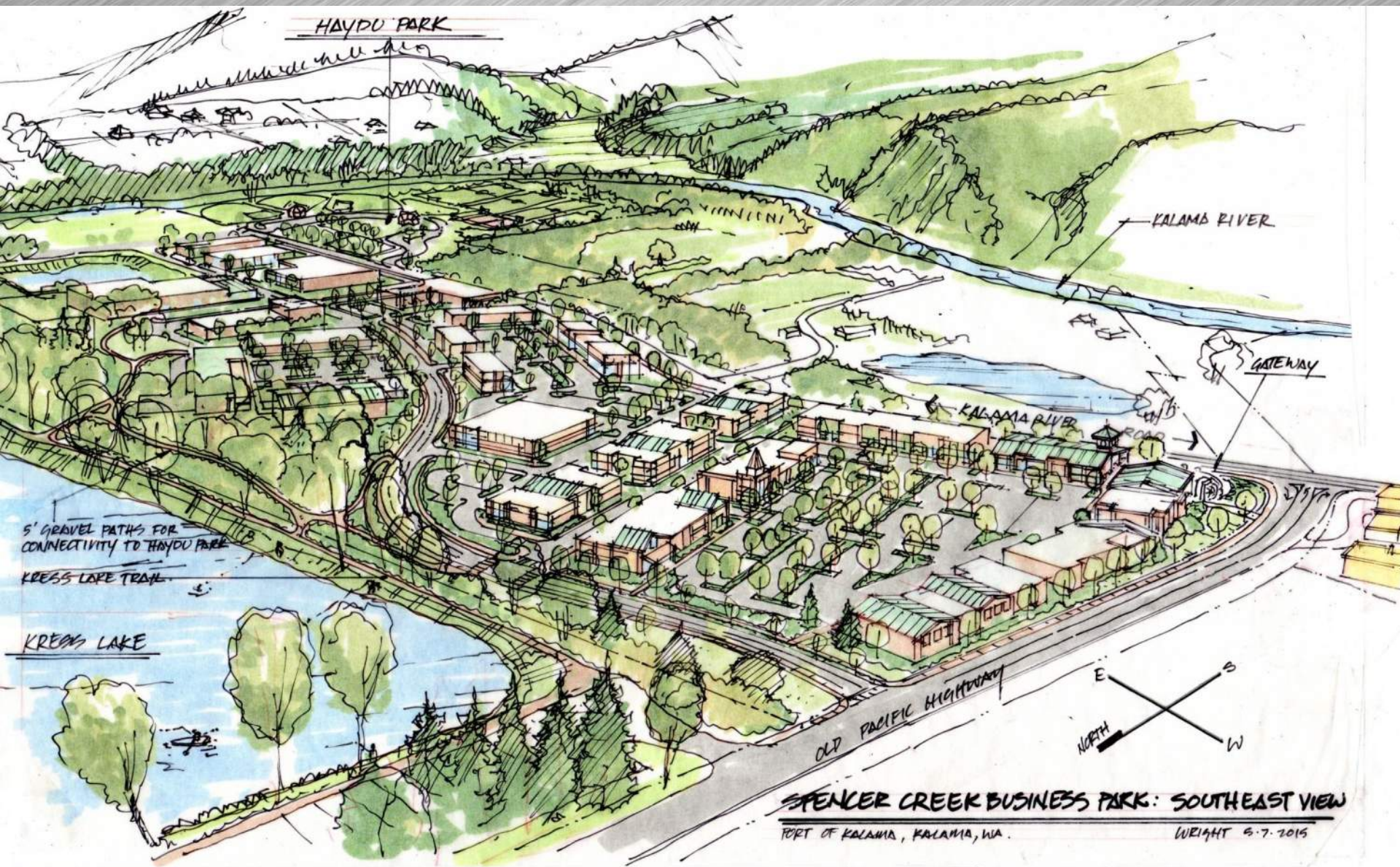
NORTH

Port of Kalama

Where Highway, Rail & Water Meet



Economic and Community Development East Port Complex



PHASE 1

Haydu Park

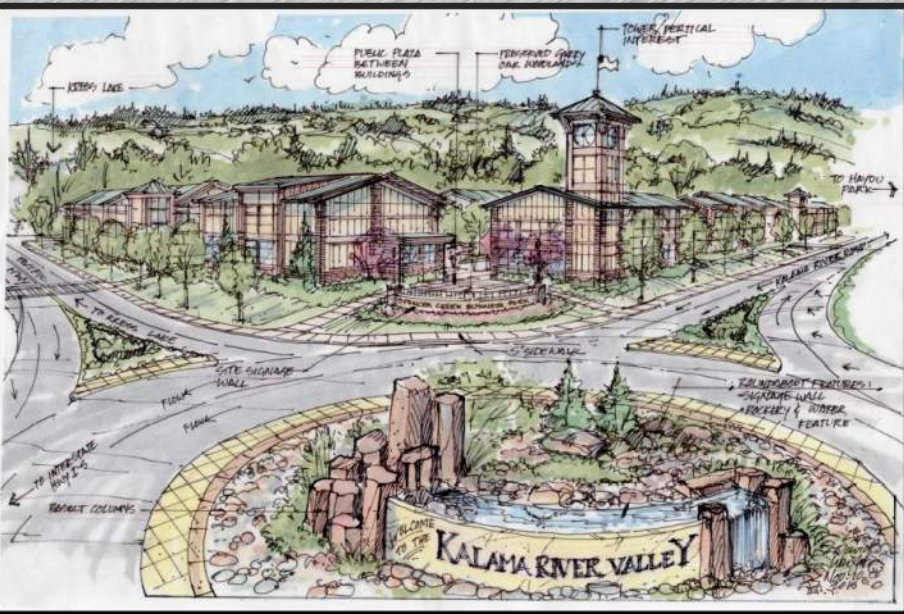


- Completed in 2015
- 3 soccer fields
- 3 baseball/softball fields
- 2 tennis courts
- 2 basketball courts
- Riding arena
- Expo center for Kalama Fair and other events
- 2,300 feet of Kalama River shoreline access
- Parking

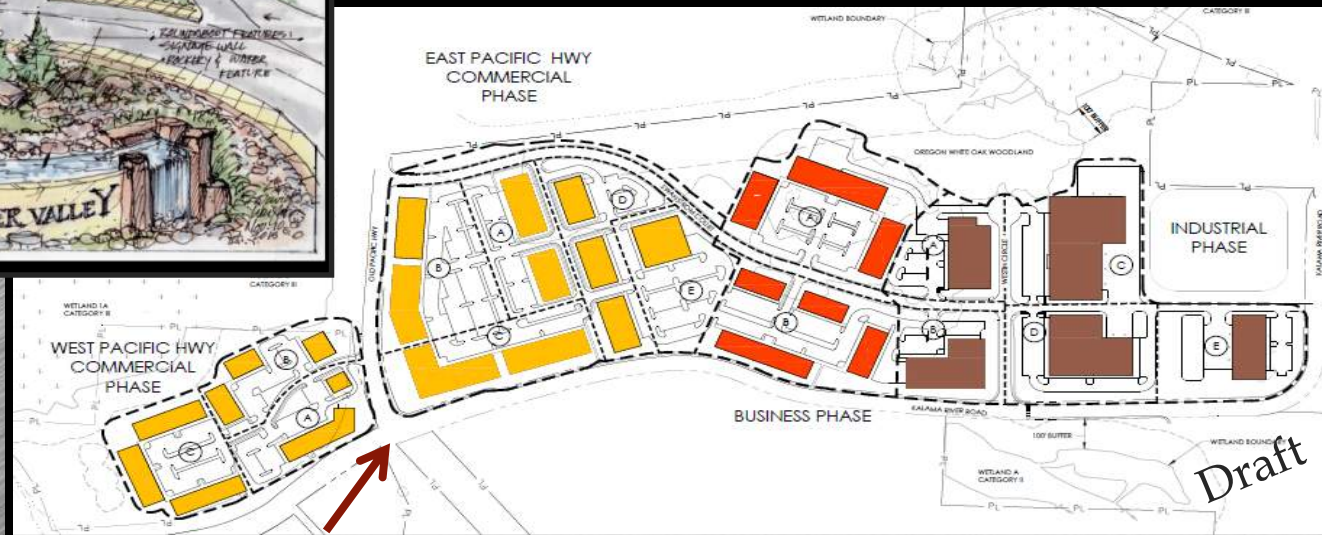
PHASE 2

Spencer Creek Business Park

- Light industrial, office, commercial and retail uses
 - Phase 2 - 70 acres
- Master Plan approved by City of Kalama



- Sewer main installed in 2015
- Preload in progress
- Road/infrastructure improvements
 - Construction 2019
- Request for Interest on 5 acres



Economic Impact Spencer Creek Business Park

IMPACT SUMMARY SPENCER CREEK BUSINESS PARK - AT FULL BUILD-OUT State of Washington

CONSTRUCTION		Total		
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	727.0	\$42,971,720	\$55,715,504	\$111,904,071
Indirect Effect	186.0	\$12,242,356	\$20,334,139	\$41,265,083
Induced Effect	275.3	\$13,616,358	\$25,011,039	\$42,770,573
Total Effect	1,188.3	\$68,830,434	\$101,060,681	\$195,939,726

EMPLOYMENT		Total		
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	907.0	\$87,664,974	\$112,067,828	\$179,547,985
Indirect Effect	387.2	\$24,792,004	\$40,467,454	\$70,496,997
Induced Effect	561.7	\$27,792,315	\$51,057,189	\$87,315,405
Total Effect	1,855.9	\$140,249,294	\$203,592,470	\$337,360,387

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Johnson Economics – Economic and Fiscal Impact Analysis (2016)

McMenamins Kalama Harbor Lodge

- ▣ 40 Unit Hotel
- ▣ Restaurant and Brew Pub
 - Cloud Bar
 - Architecture of the Pioneer Inn, Lahaina, Maui
- ▣ Second location
 - Ahles Point Cabin within walking distance
- ▣ Port constructed exterior
 - \$8.6m Port/\$3m McMenamins
- ▣ Ground Improvements
 - County grant
- ▣ Construction Began April 2017
 - Opened April 20, 2018



Marine Projects

■ Marina Rehabilitation \$4.6m

- Boat Launch – new floats
- Fuel Dock – new floats, fuel dispensers
- Marina -
 - Replaced Guest Moorage Floats/Piling
 - Replaced Main Walkway Floats/Piling
 - Replaced Electrical System
 - Replaced Potable Water System
 - New Fire flow System
- Upgraded Parking Area – Completed in 2015

■ Columbia River Navigation Channel

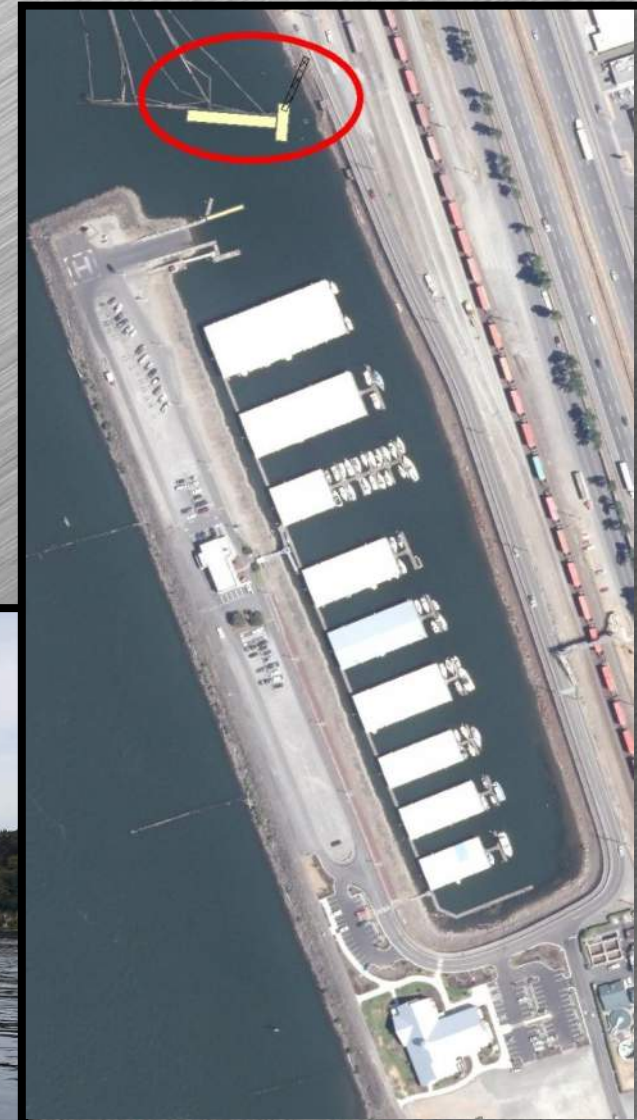
- One of 6 sponsor ports for channel deepening
- 20 year dredge management plan



Marine Projects

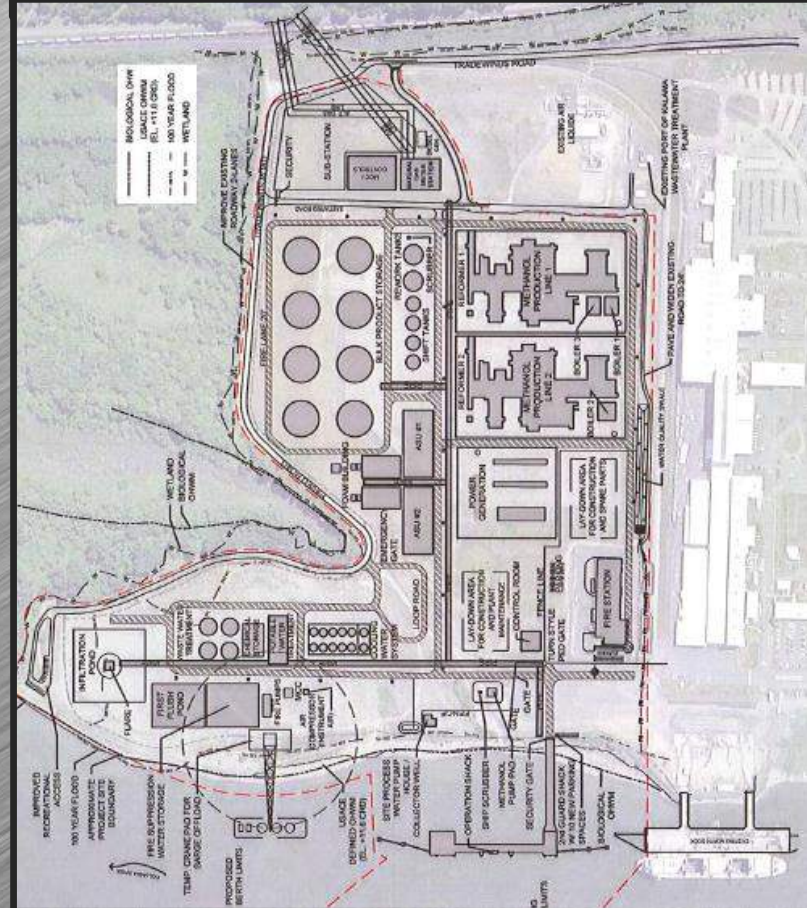
■ Commercial Dock

- Repurposed “T” pontoon
 - From 520 bridge project
- Services to navigation activities
 - Anchorage Launch Services
 - 150’ of moorage space available
 - Light Drivable gangway
- In permitting – construction winter 2019



Kalama Manufacturing & Marine Export Facility

- **Northwest Innovation Works**
 - Methanol (wood alcohol) from natural gas
 - Methanol used as an industrial product
 - \$1.8 billion private investment
 - Equal to 20% of Cowlitz County tax base
 - Triples local school & fire tax base
 - 200 full time jobs
 - Up to 1,000 construction jobs for 3 years
 - +/- 50 ships per year, post-panamax ships
- **Port providing land, dock, process water**
 - \$30 million Port investment
- **Updates**
 - Entitlements
 - EIS Complete, Supplemental in process
 - Permits: Air Permit, Shoreline Permit, 401 Water Quality Certification issued, Corps permit
 - Shoreline permit/EIS appealed - Reversed
 - Port and County successfully appealed reversal



Economic Impact – NWIW (Methanol)

IMPACT SUMMARY KMMEF - ONGOING OPERATIONS Local Impacts

Impact Type	Employment	Labor Income	Output
Direct Effect	192.0	19,988,102	1,224,318,858
Indirect Effect	258.0	15,324,212	40,547,293
Induced Effect	218.0	10,184,414	28,839,976
Total Effect	668.0	\$45,496,728	\$1,293,706,127

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Johnson Economics – Economic and Fiscal Impact Analysis (2016)

Thank you!



Eric Yakovich

Economic Development Manager

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[Return to Agenda](#)



Connell Rail Interchange Update

Updated 3/15/19 for Board Consideration

Purpose

To update the Board on the status of this project and hear a report from WSDOT on actions taken since the January 2018 Board meeting.

This project is still under consideration by the Board for funding in the 2018 Call for Projects, finalized in June of 2018. WSDOT will be taking a lead role in assisting the Coalition in determining financing sources and approaches.

Here is a summary of the Board's January 18, 2019 Discussion:

The Board discussed additional information presented by staff (see briefing paper below) and considered again how best to assist the City and Coalition on this project.

The Board discussion noted that several legislators brought up this project during FMSIB's January Day on the Hill meetings. FMSIB's Project Selection Committee did not award funding for this project during the 2018 FMSIB Call for Projects. After the Call for Projects was finalized in June 2018, Director Ziegler was asked by the Board to contact the affected ports and determine the level of shipper commitment and to reach out to the project sponsor to explore alternative funding options. The project sponsors then requested FMSIB reconsider granting the project \$2 million instead of the original \$4 million ask. In September, the Board asked the Director to gather additional information from the ports and determine the level of shipper commitments before the Board makes a decision. This was not a question of financial ability, but if it meets FMSIB criteria. Director Ziegler shared the shipper data at the November Board meeting and that the support would likely shift from city to port. Secretary Millar stated that the team model used for funding the local share of the Puget Sound Gateway should be used for this project. WSDOT worked with Connell but the city does not have the resources. Secretary Millar offered WSDOT to take the lead in organizing and moving forward with a process like Gateway. Mr. Hellman agreed with this approach.

WSDOT will provide an update on this process at the March 2019 meeting.

Previous project briefings are appended to this report for reference:

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Briefing to the FMSIB Project Selection Committees

Reconsideration of City of Connell Rail Interchange Project
9/4/18 (amended Nov. 2018)

Purpose

To provide information to the combined FMSIB Board and Technical Project Selection Committees regarding the request received from the City of Connell to reconsider the Board's June 1 decision on the city's Connell Rail Interchange Project.

Project Background (see Vicinity Map attached)

The primary goal of the Connell Rail Interchange project is to enable long trains operating westward on BNSF's Lakeside Subdivision (RI) from Spokane to be interchanged to the CBRW short-line (R2) in Connell

without the need to break trains apart. The existing interchange configuration is outdated and leads to time-consuming switching and extensive roadway blockage at two at-grade crossings in Connell's city center. It also impedes the efficient flow of rail traffic along the BNSF Lakeside Subdivision.

The Port of Warden's Pacific Coast Canola Processing Facility receives unit trains of 100 cars of canola from Canada every three weeks. These trains come westbound (southbound) from Spokane but because of the interchange configuration at Connell, they cannot be processed there. The train is moved further west (south) to Pasco where the engines are moved from the western (southern) end of the train to the eastern (northern) end of the train before the train can return 35 miles back up to Connell. The train is then taken apart and placed into the existing interchange yard to await CBRW engines to reconnect the segments into a full train which is then taken to the Pacific Coast Canola Facility for delivery. On the outbound leg, the train operations repeat in order to return the empty cars back to Canada for the next delivery to Warden.

Reconsideration Factors

The 2018 Call for Projects Selection Committees scored this project in the top 10 of 17 applications received. The Committee interviewed the project sponsor on May 15 and after deliberation, the Committee's decision was not to award funding at this time. The Committee rationale was as follows:

"Some mainline freight rail benefits, project in early fundraising, ask if city prefers a smaller FMSIB contribution now or larger one later, consider contributing rebates from Barker Rd."

On June 1, the FMSIB Board reviewed the recommendations of the Project Selection Committees, concurred in not awarding funds to the Connell Rail Interchange Project. The Director was asked to reach out to the project sponsor to explore alternative funding options. On July 13, the Director participated in a conference call with many stakeholders, which included the following:

- | | |
|--|--|
| - Burlington Northern Santa Fe Railway | - Senator Judy Warnick |
| - Columbia Basin Railroad Company | - Representative Mary Dye |
| - Port of Moses Lake | - County Commissioners from Adams, Grant and Franklin Counties |
| - Port of Warden | - Washington Public Ports Association |
| - Port of Royal Slope | - Washington State Department of Transportation |
| - Port of Pasco | |
| - Adams County EDC | |
| - Grant County EDC | |

This Connell Interchange Coalition reviewed the 60 percent design and cost estimates prepared by BNSF for the project. Based upon that presentation, a group of the Coalition members led by the Port of Moses Lake joined together to help the city prepare and submit an application under the US DOT Build program for \$16.6 million. The Coalition is also working on a CRISI FY 18 application to submit in September.

Based on this renewed interest on the part of the Coalition and its willingness to fund two federal grant submittals, the City of Connell requested FMSIB reconsider the city's application and stated they would accept a \$2 million grant award in lieu of the \$4 million previously requested.

Recommendation Options

1. Deny the reconsideration request
2. Approve the full request

3. Modify the request
4. Ask for more information
5. Schedule a second project interview

Committee Recommendation to the Board: Direct staff to contact the coalition of ports supporting this project and determine the level of shipper commitments to use the line. In particular, identify new shippers coming online with the Port of Moses Lake project.

Justification: The level of freight use identified in the City application is insufficient to warrant FMSIB contributions.

FMSIB Board Discussion Sept. 21, 2018 (from the Draft Meeting Minutes)

“City of Connell-The Connell Interchange Coalition met on July 13 to review BNSF’s 60-percent design and cost estimates. Now that the Coalition is willing to fund two federal grant submittals, the city has requested FMSIB reconsider awarding \$2 million in lieu of the original \$4 million request.

Committee Recommendation to the Board: Direct staff to contact the Coalition of ports supporting this project and determine the level of shipper commitments to use the line. In particular, identify new shippers coming online with the Port of Moses Lake project.

Mr. Swannack moved to accept the above Committee recommendation for staff to gather additional information before making a decision on this project. Mr. Watters seconded.

MOTION CARRIED”

Post Board Meeting Staff Research

10/2 Jeff Bishop Conversation:

Connell and Pasco believe that the project benefits accrue more to Grant and Adams County than Franklin County. Unit trains bound for the Connell I/C create a mess. The Port of Warden still getting unit trains. Moses Lake spur won't be done until 2022. No traffic projections. TIGER grant application includes traffic numbers. Genie the biggest potential user (steel) - currently using trucks. Port of Moses Lake paid for last federal BUILD grant application.

Freight Figures from the Port of Moses Lake TIGER Grant:

ANNUAL DEMAND PROJECTIONS			
	PROJECT OPENING YEAR	2030	2040
Diverted Trucks	6,948	7,549	8,360
Diverted Truck Miles	3,105,045	3,578,320	4,217,985
Diverted Truck Ton-Miles	49,680,727	57,253,122	67,487,764
Added Carloads	1,829	1,986	2,200
Added Rail Miles	984,479	1,152,988	1,337,345
Added Rail Ton-Miles	54,856,297	68,979,665	81,310,559

Nov. 6th Connell Coalition Conference Call:

The Ports and shippers are concerned that the current interchange requires an extra day each way to ship eastbound from Moses Lake, Othello, Warden, etc. (due to need to take train into Pasco and then turn it around before heading eastbound). Shippers would of course prefer a direct route to Spokane rather than via Pasco. Rail sidings are expanding in Othello, Warden, etc. so it is only going to get worse

The WSDOT has stated the project will be included in the 2019 Rail Plan, mostly to ensure it is eligible for state and federal grants.

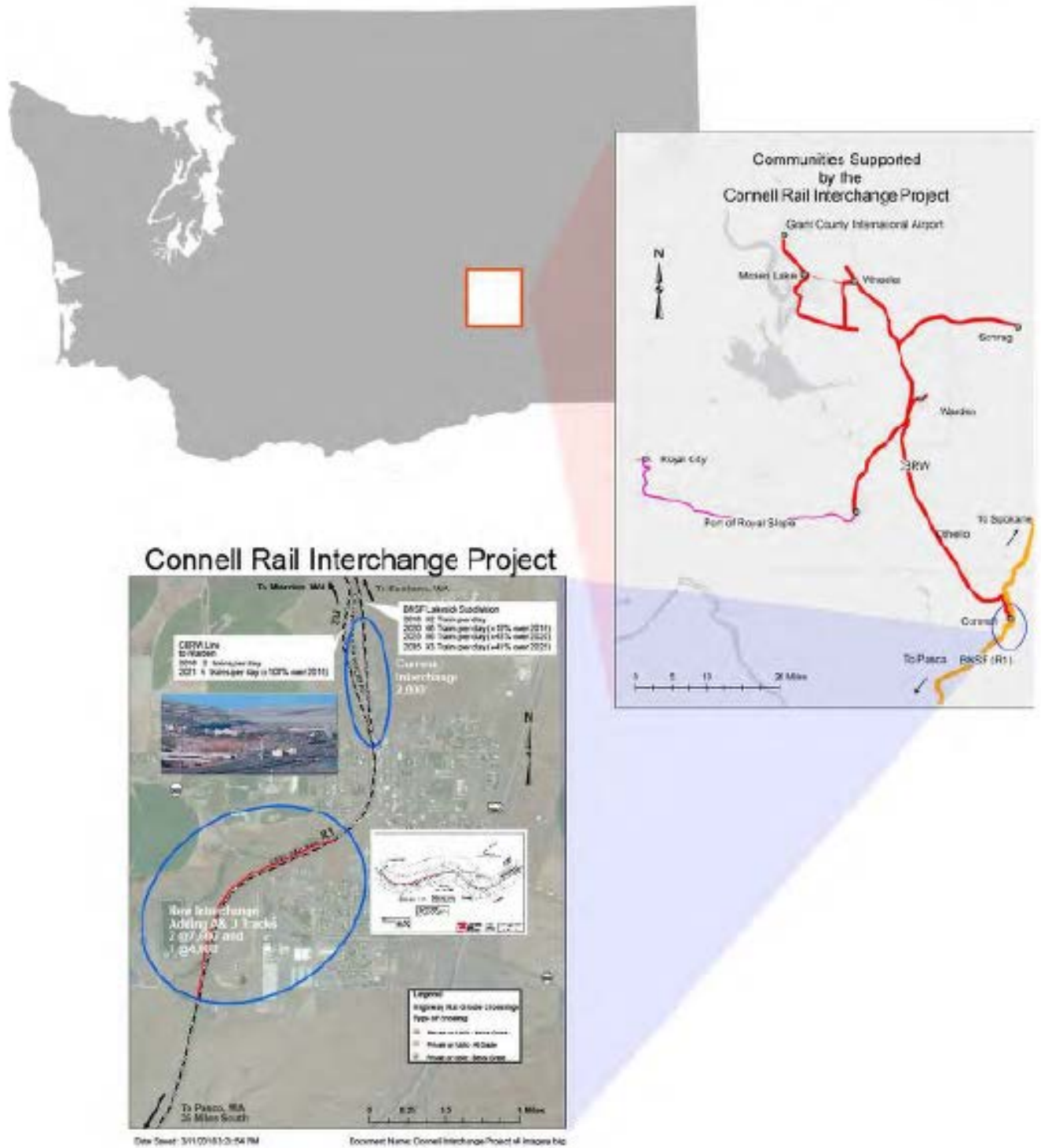
There was some discussion about who should be the project lead. Connell said they want to be involved but they are going to need help. For the City, it is more a safety project than an economic development project. The Port of Moses Lake has expressed interest in helping.

I heard the group say that the eventual owner of the improved assets would be BNSF. This could be problematic for FMSIB participation, as FMSIB projects need a state or local government sponsor (Note: Use of state funds to benefit a private sector asset has been allowed on other FMSIB and WSDOT projects).

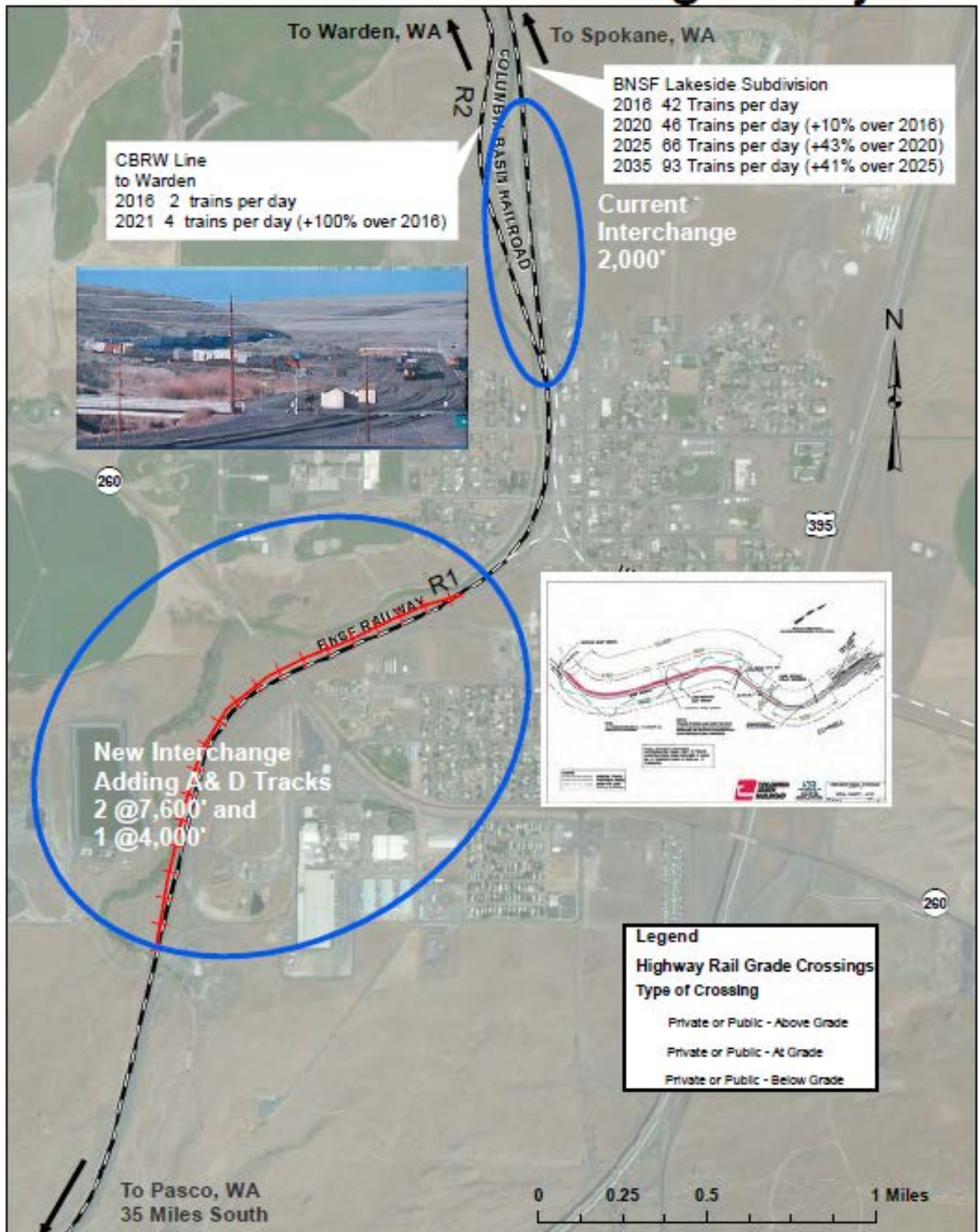
There was some discussion about the benefits of this project to BNSF operations. Randy Hayden with the Port of Pasco stated that there is plenty of capacity in the Pasco yard so removing these trains from Pasco does not provide any benefits to the yard. A representative of BNSF (a Ms. C. Rutherford) said that no specific capacity analysis has been completed. However, it makes logical sense there would be some capacity improvements from an improved interchange.

Someone else pointed out that it must have some priority for the railroad since the project keeps showing up as a priority on the Great Northern Corridor Coalition list of projects.

Location Map for Connell Rail Interchange Project



Connell Rail Interchange Project



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Honoring FMSIB for Twenty Years

3/15/19

Background

In the late 90's, several pivotal events led to the creation of the Freight Mobility Strategic Investment Board (FMSIB). Depending on how one counts the years of FMSIB's existence, a celebration of FMSIB's creation could be conducted in 2017, 2018, or even 2019.

FMSIB's existence, both initially and ongoing, is owed to the longstanding efforts of many freight interests on the local, regional, and statewide levels. A variety of organizations and associations worked hard to create and sustain FMSIB over the last 20 years. Recently, some of those sustaining organizations have offered to provide financial support to mark this milestone anniversary. A variety of mechanisms are available and have been discussed by the Board including the producing and televising of several levels of TVW promotional spots.

Board Discussion and Direction

In September 2018, the Board discussed several options for celebrating FMSIB's 20th year. The Board requested the Director to take the next steps in speaking with private-sector stakeholders to see if there is an interest in sponsoring a TVW program for FMSIB's 20th Anniversary. The Director was asked to report back to the Board at the November meeting and a decision will be made at that time.

Staff Work to Date

FMSIB staff identified the key associations and stakeholders who might be interested in contributing to such an anniversary promotional spot. Those stakeholders are listed below along with their current position about and contribution to the idea:

Stakeholder	Is this a good idea?	Are you willing to contribute financially?	If yes, how much?
Statewide Association A	Y	Y	\$5,000
Statewide Association B	Y	Y	\$5,000
Statewide Association C	Y	Y	\$5,000 (sent email to Peter 2/25)
Private A	Y	Y	\$2,500
Private B	Unknown	Unknown	Unknown
Private C	Y	Y	0
Private D	Y	Y	TBD
Statewide Association D	Association suggested but yet to be contacted		
FMSIB	Y	TBD	
TOTAL PLEDGED			\$17,500
TOTAL RECEIVED			\$12,500

FMSIB staff also worked with TVW to provide photos and videos. TVW produced a 30-second spot, which has been airing since January 1.

Some associations have paid their sponsorship fees while others are awaiting invoicing. The Chair has authorized staff to purchase plaques honoring and thanking sponsoring organizations.

Questions for the Board:

1. Do you want to contribute the balance of the \$25,000 promotional fee? At this time, I estimate the balance to be between \$5,000 and \$7,500. Worst case, it go as high as \$12,500. Our agreement with TVW is very clear that FMSIB will not be obligated to fund any portion of the \$25,000 fee.
2. Do you want to consider also funding a 20th Anniversary article on HistoryLink.org? Cost would be between \$1,250 and \$2,750:

Feature Article / \$2,750

A feature article is an essay of up to 4,000 words. These essays tell the stories of people, places, events, and organizations.

Timeline Entry / \$1,250

A timeline entry is an essay of up to 1,500 words. These briefer essays are organized by date and become part of our chronology of Washington State history, which provides a sense of how the event relates to other things happening across the state.

FMSIB ANNUAL WORKSHOP TOPICS

2014-2018

2018 Topics

FMSIB History & Overview

History of Freight in Washington

FMSIB Framework:

- State law
- WAC
- Bylaws

Capital and Operating Budget

Call for Projects Update

Policy on Cost Overruns and Emergent Projects

FMSIB Legislative Review, Day on the Hill

FMSIB Subcommittee Membership Update:

- Legislative
- Project Selection
- Administrative
- Outreach

Future Meeting Schedule:

- Dates
- Locations

Miscellaneous:

- Trucking, Rail, and Port Priorities
- WSDOT Freight Update
- Strategic Freight Planning

Potential 2019 Topics (DRAFT)

- Federal Freight Funding Reauthorization, CAGTC
- The Future of WAFAC
- FMSIB Capital Fund Reserves / Unallocated Funds
- Trucking, Rail and Port Priorities
- Other Board Issues: _____
- _____