

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
MEETING MINUTES

March 16, 2018
SeaTac, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. Leonard Barnes; Mr. John Creighton; Mr. Matt Ewers; Mr. Erik Hansen; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. Art Swannack; Mr. Tom Trulove and Mr. Bob Watters.

Board members not present: Secretary Millar and ex-officio Aaron Hunt

WELCOME

Chair Dan Gatchet opened the meeting with welcoming comments.

MINUTES

Chair Dan Gatchet entertained a motion to adopt the January 19, 2018, minutes as presented. Mr. Ewers so moved to adopt the minutes and Mr. Swannack seconded the motion.

MOTION CARRIED

FMSIB BUDGETS

Director Ziegler shared that the *Operating Budget* is on schedule as we are about one-third of the way into this biennium and have spent \$234,000 of the \$278,000 allotted to date. At the May workshop, Director Ziegler would like to present the Board with some ideas on providing this information in a graphical form. He would also like to discuss the possibility of spending some the Operating Budget money on initiatives or studies such as a collaborative Freight System Optimization Study.

The *Capital Budget* has spent \$3 million so far in this biennium with \$47 million remaining.

Director Ziegler reviewed the *2017-19 Capital Program Delivery Risk Assessment* chart, which takes the place of the historical FMSIB project update slideshow. The policy alternative FMSIB may consider is whether the Board funds only projects that are highly likely to expend funds in that biennium. The alternative is to be patient with the money, knowing it may be several bienniums before it will be spent. Historically, this latter approach is one that FMSIB has taken and the Board has received no negative feedback from the Legislature. The downside to the current approach is that it may make the percentage of project delivery look small. Mr. Hulcey pointed out a many cities have transportation improvement plans that can take multiple years to get very good projects done. Mr. Swannack stated that coming from the county perspective; it takes three to four years for projects to be completed. He is not concerned about going out two to three biennium to complete a project. Chair Gatchet suggested that one of the workshop topics could be to discuss ways that FMSIB could support projects without dedicating future funds until the projects secure the rest of their funding. Mr. Swannack pointed out that the reality they are going to need some money showing they have something in order for FMSIB monies to count. Mr. Creighton pointed out that is correct, especially if they are going for

federal money. Dan asked how to use this risk chart to help with future calls for project. Director Ziegler said that is a future step. The real value of tool is to see from beginning to end of the biennium if what we forecast was accurate. Director Ziegler will do this every board meeting to see how it tracks, but we need to go through one or two cycle to see how confident we are in making the expenditure predictions.

Mr. Watters suggested adding the following to the chart: date FMSIB approved the project, total project cost, and what percentage is funded to date.

Mr. Hansen suggested reordering by color to see the totals. Chair Gatchet suggested this would be a great workshop topic.

FMSIB's 2018 Supplemental Budget:

FMSIB's requested \$17,000 increase (from \$818,000 to \$835,000 biennially) in the *Operating Budget* was included in the House budget. Most of this amount is due to pulling in the compensation increase that was passed in the 2017-19 General Fund Budget. Here is a breakdown of the individual parts: \$15K for the COLA, \$(1K) for PEBB rate adjustment, \$2K for benefit rate adjustment, and \$1K for DES Central Services rate correction.

FMSIB's *Capital Budget* request included an increase of \$45,909 in the Freight Mobility Investment Account for the City of Seattle's Duwamish Truck Mobility Improvement project, an increase of \$440,000 in the Freight Mobility Multimodal Account for Spokane Valley's Sullivan Rd. Project, and an increase of \$100,000 in the Highway Safety Account for Spokane County's Bigelow Gulch / Forker Rd. Project. The budget is still at \$51 million total for all four funds. The request for increases in two of the accounts was to cover the cost for project schedules that might change in the next 18 months.

A legislator from Spokane sponsored a *Capital Budget Proviso* that limited WSDOT and FMSIB expenditures on Spokane Valley's *Barker Road Grade Separation Project*. The legislator's concern was regarding a proposal for a roundabout. His concern has been addressed, and on March 7, the Transportation Budget Conference Committee removed the proviso.

Director Ziegler pointed out this project is an example of FMSIB being the first money in (\$10 million) beginning in 2010 with expected expenditure in 2019. This project is now fully funded due to fund grants. Since the project cost has decreased, FMSIB's contribution is now at \$5 million.

Mr. Ron Pate, WSDOT, shared that when this project submitted their TIGER grant application, they did not list their NFHP funds. WSDOT is looking into this so this project may still need FMSIB monies. Director Ziegler thinks that even with the substantial redesign, about 90 percent of the freight mobility benefit will still be in place from the original project award. He has asked the city to confirm that. FMSIB will keep track as this project develops.

DIRECTOR'S REPORT

Director Ziegler highlighted the below topics from his complete Director's Report included in the meeting packet:

Member Appointments:

FMSIB staff met with Keith Swenson of the Governor's Office to review the status of current and future Board vacancies. Current vacancies include one each representing Counties, Cities, and Ports. Starting on January 1, John Creighton and Tom Trulove are serving on the Board pending selection of their replacements. Mr. Swenson advised that the Cities appointment would likely be made in late March. There is a chance for the Counties and Ports appointments to be made by the June 1 Board meeting.

Project Status Updates:

City of Marysville, SR-529 / I-5 Interchange Expansion –At issue is whether the \$5 million commitment to the City should continue given the Connecting Washington funding that appears to have fully funded the interchange project. Based on the below Board action in January for WSDOT and FMSIB to enter an agreement regarding FMSIB's \$5 million commitment, Director Ziegler contacted WSDOT Local programs and the Northwest Region WSDOT Offices to discuss next steps for the interagency agreement. Local Programs deferred lead on this to the Northwest Region. Their Program Manager suggested that we not develop the draft agreement until WSDOT has a better estimate of the project costs, likely later in 2019.

Spokane County, Bigelow Gulch Road- Spokane County Public Works contacted Director Ziegler regarding whether FMSIB would consider shifting funds between phases in this multiphase project. The County has identified opportunities for cost sharing and even cost savings between phases. The proposal called for using excavation material from Phase 3 and incorporating into the bridge approach fills for Phase 4A. This saves costs on both projects; however, Phase 3 is in "Deferred" status by FMSIB so the Board would need to reactivate this Phase and authorize a transfer of funds to Phase 4A. Based on this information, the County decided to wait on requesting a reactivation of this Phase 3 pending more investigation on their part.

City of Spokane Valley, Barker Road

When the Legislature's Supplemental Transportation Budgets were released on February 19 and heard in Committee on February 20, there were no provisos affecting FMSIB. However, the House Transportation Committee substitute passed by the Committee on February 21 contained the following proviso:

"The appropriations in the section are subject to the following conditions and limitations: No state moneys may be expended to plan for or construct a roundabout as part of the Spokane Valley Barker/Trent grade separation project provided this restriction does not increase the overall cost of the project."

A similar proviso was attached to the WSDOT Supplemental Budget.

Director Ziegler checked in with Spokane Valley staff and WSDOT Eastern Region staff to investigate the origins of the proviso. He also participated in a conference call with the Spokane Valley City manager and others to assess the impacts of the proviso on the project. Recent press stories (Spokesman Review, March 3) report that the Spokane Valley Council has reached agreement with Representative Shea to drop the proviso in exchange for an extended public outreach process to get more input on the design.

On March 7, the proviso was removed by the Conference Committee.

Also as of March 7, the USDOT announced their FY 2017 TIGER Grant Awards and this project received \$9 million. This should greatly accelerate design, environmental, and right-of-way acquisitions. The current advertisement date is March 2019.

Presentations:

- Washington State Transportation Commission (WSTC) - Feb. 13. This presentation was requested by the Commission. I was joined by Ashley Probart from TIB and John Koster from CRAB.
- MPO/RTPO Coordinating Committee - Feb. 27. This presentation as requested by me in order to update the Coordinating Committee on the Road-Rail Conflicts Study and to thank them for their generous participation in the study.
- Pierce County Cities and Towns Association (PCCTA) – Mar. 1. This presentation was coordinated by FMSIB member Councilmember Pat Hulcey to brief Pierce County Cities on FMSIB’s role and the current Call for Projects.
- Port of Grays Harbor Commission – March 13. This presentation was requested by FMSIB member Leonard Barnes to update the Grays Harbor Port Commissions on FMSIB.

Codification Legislation:

This legislation would have made permanent the 2015 Connecting Washington revenue increases for FMSIB. Similar codification language was proposed for revenues due to CRAB, TIB, and several WSDOT programs.

The House bill, HB2896, was heard in Committee on 2/5/18 and passed out of committee 2/6/18. The Senate bill, SB 6830, was heard on 2/5/18 but never passed out of Committee. Some thought maybe the bills would at some point be classified as NTIB (i.e., “Necessary to implement the budget”) thereby exempting the legislation from bill cutoff dates. However, that did not happen.

Coalition for Americas Gateways and Trade Corridors (CAGTC) Activities:

The Coalition continues to be a valuable resource to FMSIB for monitoring freight issues in Washington DC, whether in Congress, the White House, and/or various other government and private sector agencies. Director Ziegler had a conference call with CAGTC’s Executive Director and the Communications staff. He took the opportunity to share Washington State successes on freight issues and continue to advocate for a multimodal approach to solving freight problems. CAGTC was very appreciative of FMSIB’s unique role amongst state agencies, and they thanked us for our continued membership in CAGTC. Mr. Creighton shared that Ryan

McFarland with the Port of Seattle is now serving on the CAGTC Board. Mr. Creighton also mentioned it might be worth sending Director Ziegler to the annual CAGTC meeting. Sean Eagan will be representing Seaport Alliance at the CAGTC annual meeting in May.

Puget Sound Regional Council Update (PSRC):

As a metropolitan planning organization (MPO), PSRC is governed by the General Assembly that includes a representative of all the member agencies in PSRC. The three major governance boards are appointed by the General Assembly and perform the following functions:

Executive Board - Chaired by PSRC's President, the Board conducts the business of the MPO between annual General Assembly meetings.

Growth Management Policy Board – Advises the Executive Board on key growth management policies.

Transportation Policy Board – Advises the Executive Board on key transportation issues, including the Regional Transportation plan, the Regional Transportation Improvement Program, and federal transportation project funding decisions.

FMSIB has been a non-voting member of the Transportation Policy Board since July 2003. PSRC staff recently invited FMSIB to nominate a primary and alternate member. Chair Dan Gatchet is FMSIB's designee and Director Brian Ziegler was designated the alternate. Director Ziegler attended a meeting in February and one in March.

The freight committees at PSRC are being refreshed. After the death of Chair Dan O'Neil, the Freight Roundtable has been on a hiatus. The PSRC executive Committee is evaluating whether to reformulate the Freight Roundtable. Meanwhile, staff of member jurisdictions continue to meet monthly as a FAST Freight Advisory Committee. More to come as PSRC reconstitutes these two important freight forums.

At WSDOT's request, PSRC is forming an "I-5 Working Group" to evaluate options for ensuring vehicle capacity on I-5 through downtown Seattle. Director Ziegler will be representing FMSIB on the Working Group. The first meeting is March 20.

Washington State Good Roads and Transportation Association (WSGRTA) Breakfast:

This statewide organization, founded by Samuel Hill in 1899, advocates for improved road and transportation services in Washington State. The organization conducts an annual meeting during the summer and hosts a legislative breakfast during the session. This year's breakfast (Jan. 30) included remarks from Transportation Committee Chairs Judy Clibborn and Steve Hobbs, and from Secretary Roger Millar.

FMSIB Call for Projects:

The Call for Projects opened January 15 and closes March 30. FMSIB staff conducted an information webinar that was attended by nearly 20 jurisdictions. A webinar will be held on March 27 for the Board and Technical Scoring Committees to discuss the application scoring and project ranking process.

AWC Legislative Reception:

At the request of AWC, Director Ziegler attended this reception on January 24 and had the opportunity to share the FMSIB message with many of the attendees. Several legislators attended as well as a couple hundred mayors and councilmembers. I

Harbor Maintenance Tax:

On March 5, the Legislature passed Engrossed Senate Joint Memorial 8008. This Memorial requests Congress reform the Harbor Maintenance Tax to ensure all navigable waterways in the U.S. are fully maintained and to provide for greater equity to HMT donor ports. Director Ziegler attended a Secretary of State Signature Ceremony on March 6.

BOARD MEMBER REPORTS

Mr. Barnes shared that the Port of Grays Harbor Commissioners were appreciative of Director Ziegler's presentation and that they learned a lot about the process.

Mr. Hulcey shared that Director Ziegler's did an excellent job on his presentation to PCCTA.

Mr. Hulcey would also like Director Ziegler to do a presentation at the AWC Conference.

Mr. Ewers attended the Pacific Northwest Rail Shippers Association meeting. It's important to note the increased demand for freight movement in the private sector. There is a huge shortage of drivers so there has now been a shift into rail intermodal that has now reached capacity. Some states are testing automation.

Mr. Trulove, Mr. Swannack, and Mr. Ewers represented FMSIB at the Bigelow Gulch groundbreaking.

GATEWAY PROJECT PRESENTATION

Mr. Craig Stone, WSDOT, and Mr. Steve Gorcester, Consultant, gave an update on the Gateway Project. They described the process they are using to comply with the legislative budget proviso requiring \$130 million of local participation funding on this project. Steve has been meeting with affected local agencies in King and Pierce County to share the proviso and help cities understand their relationship to the project and their role in providing funding assistance. FMSIB, along with TIB, have been identified as potential funding sources that local agencies could tap in meeting this local funding responsibility.

From the communications Steve is having with several cities, it appears the City of Fife may be applying for a FMSIB grant to replace the 70th Ave. overcrossing of I-5.

ROAD-RAIL CONFLICTS STUDY UPDATE

Director Ziegler gave a brief overview that the Road-Rail Study continues to be on schedule and that the meetings with the MPO's/RTPO's have been very productive. Next steps include:

1. Confirm the Project Evaluation Process
2. Evaluate and Prioritize Projects
3. Share draft list with Advisory Committee on April 25

BYLAWS REVISION

Director Ziegler reviewed FMSIB Article 14 "Project Definitions." This is a fairly new article in the bylaws and the goal was to have a clear definition of different terms used in relation to FMSIB projects. Director Ziegler noted that in 2016 the Legislature authorized FMSIB to remove (cancel) projects from the funded list based on the criteria stated in RCW

47.06A(050)(5)(b); however, the definition of “Remove (Cancel)” has not been added to the Article 14 Project Definitions. Director Ziegler is proposing that the Board approve adding the following definition to the FMSIB Bylaws:

Project Removal (Cancellation)

In 2016, the Legislature authorized FMSIB to remove (cancel) projects on FMSIB approved lists. RCW 47.06A(050)(5)(b) states:

“The board may remove a project from consideration after six years for any of the following reasons: (i) The project has been unable to obtain the necessary funding or financing to proceed, (ii) the project priority in the jurisdiction where the project is located has been decreased so that it is unlikely to be constructed within two years, or (iii) there are quantifiable issues that make it highly unlikely the project could obtain the necessary permits or could be constructed as submitted in the original proposal to the board.”

Director Ziegler also proposed adding “freight” to the below sentence in Article 14 Purpose of the Deferred Project List:

*This is only allowed if the project would still provide the **freight** benefits envisioned when initially selected.*

Chair Gatchet entertained a motion to adopt the language for project removal as presented. Mr. Watters so moved and Mr. Hulcey seconded the motion.

MOTION CARRIED

Mr. Swannack asked for clarification if FMSIB can adopt bylaws amendments at the same meeting as proposed. Mr. Trulove stated that there nothing in our bylaws that prevents us from doing so.

CALL FOR PROJECTS UPDATE

Director Ziegler gave an update on the FMSIB 2018 Call for Projects. Project submittals are due March 30. A briefing for the Project Selection and Technical Committees is scheduled for March 27 and the Committees’ scoring meeting will be held on April 24. FMSIB has advertised the Call through the following: the IACC Conference, email through AWC, WSACE, WPPA newsletters, FMSIB Webinar, PRSC FAST Freight Advisory Committee, MPO/RTPO Coordinating Committee, and FMSIB presentations (WPPA, LCTA, WSTC, PCCTA).

Director Ziegler estimates FMSIB will have about \$10 million to award for the first biennium (by June 30, 2021) and about \$15 million for the second biennium (by June 30, 2023). That amount may be higher if the Board decides to take some risks. The Board can also choose to award money for projects beyond 2023. Director Ziegler reviewed some graphs illustrating various possibilities for potential project submittals and match money.

JUNE WORKSHOP TOPICS

Director Ziegler reviewed potential 2018 topics:

- Staff Transition Planning
- FMSIB Capital Fund Reserves/Unallocated Funds
- Trucking, Rail, and Port Priorities

Chair Gatchet suggested the Board send emails to Director Ziegler if they have any additional topics for discussion.

Art Swannack was asked to be acting chair for the May 31/June 1 meeting.

NEXT MEETING

Chair Dan Gatchet entertained a motion to hold the next FMSIB Workshop on May 31 and Board meeting on June 1, 2018, in Suquamish, WA. Mr. Hulcey so moved and Mr. Barnes seconded the motion.

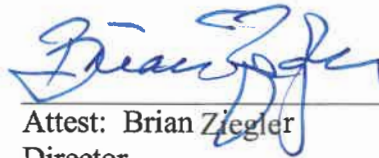
MOTION CARRIED

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

MEETING ADJOURNED



Dan Gatchet
Chair



Attest: Brian Ziegler
Director