FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

September 15, 2017

Pasco Airport, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. Leonard Barnes; Mr. John Creighton;

Mr. Matt Ewers; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. Tom Trulove; Mr. Art Swannack and Mr. Bob Watters.

Board Members not present: Secretary Millar, Mr. Erik Hansen, and ex-officio Mr. Aaron Hunt.

WELCOME

Chair Dan Gatchet opened the meeting with welcoming comments.

MINUTES

Chair Dan Gatchet entered a motion to adopt the June 2, 2017, minutes. Mr. Trulove so moved to adopt the minutes and Mr. Barnes seconded the motion.

*MOTION CARRIED*

FMSIB BUDGETS

Director Ziegler gave an overview of 2015-17 and 2017-19 biennium budgets for both operating budget and capital budget. The 2015-17 operating budget was higher than usual due to the one- time increase for funding the Marine Cargo Forecast. The biggest savings in 2015-17 was in travel and the 2017-19 budget now reflects the adjustment in travel since the Board will not travel to Washington, D.C. There has also been a cost savings in salaries as we now have two fulltime FTE’s, instead of one fulltime FTE and 3 part time FTE’s. The Legislature has allotted $60,000 for the Road-Rail Study. Depending on the final scope of work for that project, the appropriation may have to be supplemented with other FMSIB funds.

The current FMSIB Capital budget is funded with six distinct fund sources. During the 2017-19 biennium, Director Ziegler hoping to fully expend four of the fund sources, which means future biennial capital budgets will be funded through just two sources, i.e., the Freight Investment Fund (Motor Vehicle Funds -State) and Freight Multimodal Funds (State). Expenditures for the 2015-17 biennium came in within 2 percent of the budgeted amount. Director Ziegler will discuss the option of a supplemental budget with Erik Hansen for the 2017-19 biennium.

DIRECTOR’S REPORT

*WAFAC*

Director Ziegler informed the Board of the June 20 and July 21 WAFAC meetings.The June 20 meeting was convened at the WSDOT HQ so interested members could hear from WSDOT Secretary Millar regarding the department’s proposal to separate National Highway Freight Formula Funding into separate Preservation and Non-Preservation categories. This special meeting was scheduled after the Secretary presented the same proposal to the June 2FMSIB meeting in Suquamish. WAFAC provided written comments to the Secretary in a letter dated July 14, 2017.

The July 21meeting at PSRC provided an opportunity for WSDOT to share progress on their freight project validation process and scoring methodology. Members provided comments on WSDOT’s approach, which are summarized in WAFAC meeting minutes issued July 24.

*NHFP Project Funding Status*

The Fast Act provided Washington State approximately $107 million in formula freight funding over five federal fiscal years (FFY 16 – FFY 20). In 2016, WAFAC and WSDOT collaborated to issue a call for eligible freight projects and prioritized a list for consideration by the 2017 Legislature. The 2017-19 Transportation Budget included $43.7 million in Program Z to fund freight projects. WSDOT has been contacting project sponsors to validate these projects in two stages. The results of WSDOT’s Stage 1 validation were shared with WAFAC on July 20. On August 14, WSDOT sent project sponsors a request for data to begin the department’s Stage 2 validation process. The due date for that data submittal was September 5.

*Project Status Updates*

The Board meeting was briefed on three projects requiring Board attention (see more detailed notes later in these minutes):

1. City of Marysville, I-5/SR-529 Interchange
2. City of Fife, 54th Ave. I/C – Phase 1
3. City of Lacey, Hogum Bay Road

Additionally, other project issues have come up during the last couple of months:

1. City of Seattle staff from the Policy and Planning Division and Traffic Management Division traveled to our office on July 6to discuss a variety of past and currently funded FMSIB, TIB, and NHFP-funded projects. This meeting was coordinated by and included TIB staff.
2. City of Fife staff visited our offices July 10 to discuss the 54th Ave. I/C – Phase 1 project funded by FMSIB. The project was included on the WAFAC-approved list for NHFP funding, but the amount dedicated to Fife seems to be changing as WSDOT conducts their validation process. This meeting was held jointly with TIB as they may be asked to participate in the project depending on how the NHFP funding decision by WSDOT turns out.
3. The City of SeaTac celebrated the opening of the 28th/24th Corridor Completion Project with a ribbon cutting ceremony on August 9. Seattle Port Commissioner and FMSIB Board Member John Creighton attended and spoke about the importance of this corridor to general freight mobility, air cargo access to SeaTac, and the development of the Des Moines Business Park. This corridor intersects with and accommodates the new alignment of SR-509 Completion project, so the project is considered the first completed element of the Puget Sound Gateway Program.
4. Port of Vancouver staff visited FMSIB Offices August 29 to discuss a variety of project ideas they are developing along with the City of Vancouver for improving access to the Port via a new west side roadway. Ashley Probart, TIB also attended the briefing.
5. The City of Longview applied for but did not receive a FASTLANE Grant on the SR-432/SR-411 project. FMSIB has committed $2.1m to the $4.2m project. Therefore, the City is proceeding with the original project scope and developing a new Local Agency Agreement.
6. The Puget Sound Gateway program (SR 167 and SR 509 Corridor Completion Projects) includes a requirement in the Transportation Budget for a Local Funding Share of about $130m. The state has hired former TIB Director Steve Gorcester to facilitate a conversation with affected King County and Pierce County local governments in order to reach consensus on how to meet the state budget requirement. Director Ziegler met with Mr. Gorcester and shared his local government history on the project as well as his concerns about expectations regarding use of FMSIB funding for local elements of this program.

Marine Cargo Forecast Report to JTC

Scheduled for July 20, canceled due to Special Session requirements. Rescheduled for September 14, but conflicts with FMSIB Board meeting. To be rescheduled again.

2017 Annual Report Status

Kjris Lund and Director Ziegler conducted phone interviews of all 12 FMSIB Board members. In addition, Ms. Lund and Director Ziegler discussed potential themes for the report and shared some ideas with Chair Gatchet. Ms. Lund was on the Board’s September 14 workshop agenda to provide additional update details.

FMSIB Member Appointment Process

The Governor appoints each FMSIB Board member to specific terms. Both the Governor’s staff and FMSIB staff monitor appointment dates to ensure positions remain filled. FMSIB staff met with Governor’s Office staff designee for this process, Keith Swenson. FMSIB staff learned a few important details about the appointment process and the time it takes to complete that process. Additionally, we learned that all appointed members serve until either their term expires or they resign from the Board. In other words, losing a local election does not automatically remove one from the Board. Because a past Board member had not officially resigned from the Board, the replacement process for that position could not begin because the position was not officially vacant. That has now been rectified and the Governor’s Office will be reaching out to the Association of Counties for nomination suggestions.

Board members were encouraged to apply for reappointment online within one year of term expiration.

Legislative Assessment of the Washington State Transportation Commission (WSTC)

The 2017 Legislature has tasked the Joint Transportation Committee (JTC) with an assessment of the Washington State Transportation Commission. 2ESSB 5096, Sec 204(4) provides $100,000 for the JTC to assess the membership, functions, operations and budget of the Commission beyond those related to toll- and ferry fare-setting and the Road Usage Charge pilot project. A report is due December 31, 2017. Director Ziegler was interviewed August 16 by JTC consultants hired as part of the assessment process.

Ongoing Outreach Efforts

* Met with the Washington Public Ports Association (WPPA) and several Burlington Northern Santa Fe (BNSF) employees to discuss the status of the Great Northern Corridor Coalition (June 6).
* Participated in the Washington Highway Users Federation (WHUF) Executive Board Meeting (June 12). FMSIB is a designated member.
* Attended Association of Washington Cities (AWC) Annual Conference (June 21-23). In addition, Chair Gatchet and Director Ziegler met with the new AWC Director, Peter King (July 31).
* Director Ziegler introduced himself to the Federal Highway Administration (FHWA) Division Administrator and Planning Team. Discussed freight planning, WAFAC, and National Highway Freight Program (NHFP) funding (July 12).
* Attended the Washington State Good Roads and Transportation Association (WSGRTA) meeting in Ellensburg (July 13).
* Chair Gatchet and Director Ziegler met with Secretary Millar and his staff to discuss the concept of a charter for the Washington Freight Advisory Committee (July 14).
* Attended the Port of Seattle’s evening presentation on “Green and Sustainable Port Initiatives” (July 20).
* Drove to Colfax to meet with Whitman Commission Art Swannack and his County Engineer, Mark Storey. Drove to Walla Walla to attend the quarterly meeting of the MPO/RTPO Coordinating Committee. Also visited with Congresswoman McMorris-Rodgers’ staff in Walla Walla to introduce her to FMSIB and discuss freight projects and funding issues in the 5th Congressional District. Drove to Yakima and conducted similar meetings with Congressman Newhouse’s staff (4th Congressional District) and Senator Murray’s staff.

Road Usage Charge (RUC) Study

The State Transportation Commission has been studying this issue in phases since 2012. A Steering Committee of public and private officials has assisted in the study oversight, as well as a variety of consultants in tolling, finance, and public outreach. The study has been funded for a pilot test of various RUC technologies and the Commission is recruiting participants.

Director Ziegler has served on this Steering Committee representing counties. The team asked the Director to remain involved because of the impacts this new transportation revenue source might have on freight mobility in Washington. Director Ziegler attended the most recent Steering Committee meeting July 27 on Mercer Island.

**BOARD MEMBER REPORTS**

Mr. Hellman addressed the projected rail volume need for 2023-25. He is optimistic this will happen as BNSF is biased towards growth and will make the necessary investments.

Mr. Creighton shared that Port of Seattle entered into a $20 million MOU with City of Seattle in an effort to address freight needs in a more comprehensive manner. The Port has also committed $5 million to the Lander Street Project.

Mr. Hulcey went on a tour of the Port of Tacoma to see the pier upgrades to get ready for big ships.

CALL FOR PROJECTS

Upon review and discussion of FMSIB Capital Revenues, Mr. Hulcey made a motion to authorize a 2018 FMSIB Call for Projects according to the below schedule and to determine the exact dollar amount at the January 19, 2018, Board meeting. Mr. Ewers seconded the motion.

Call for Projects Initiated February 2018

• Submittals Due March 2018

• Preliminary Selection April 2018

• Project Interviews May 2018

• Final List Adoption May 2018

*MOTION CARRIED*

COST OF LIVING ADJUSTMENTS (COLA)

The Legislature approved a COLA increase for general service, WMS, EMS and exempt positions according to the below schedule:

* 2 percent effective July 1, 2017
* 2 percent effective July 1, 2018
* 2 percent effective January 1, 2019

Director Ziegler is eligible for these increases with Board action. Increases for other FMSIB staff do not require Board action.

Mr. Trulove moved to approve a COLA increase for Director Ziegler according to the above schedule, retroactive to July 1, 2017, and Mr. Barnes seconded the motion.

*MOTION CARRIED*

ROAD-RAIL CONFLICT STUDY UPDATE (PowerPoint)

Director Ziegler gave a presentation on the legislative background, study results, new legislative direction and next steps for the Road-Rail Conflict Study. The 2017 Phase 2 of the Road-Rail Conflict Study provisos $60,000 dollars to identify and recommend a statewide list of projects using a corridor based approach. The Road-Rail Study Advisory Committee will reconvene to develop preliminary criteria for identifying crossing project elements, such as scope, schedule, budget, benefits, etc. The Transpo Group is now under contract for Phase 2, and the first advisory meeting will convene in October.

GUEST PRESENTATIONS

*Please see the FMSIB Webpage at* [*www.fmsib.wa.gov*](http://www.fmsib.wa.gov) *for the following PowerPoint presentations:*

*Randy Hayden, Executive Director, Port of Pasco,* gave an overview of multimodal freight industry in the Tri-Cities.

PROJECT UPDATES

*Russel Blount, City of Fife*, presented the city’s request for $500,000 of the original $3 million contribution to FMSIB Project #89 (I-5 / 54th Ave Interchange). If approved, the $500,000 will be used to construct 54th Avenue portion of the SR-99 Double-Left Turn project.

Mr. Ewers made the below motion to approve the recommendations and Mr. Watters seconded. Mr. Hulcey recused.

Motion:

* Approve request for $500,000 to construct 54th Ave. portion of the SR-99 Double-Left Turn project.
* If total project costs rise for the I-5/54th Ave. E I/C project, retain the original maximum limit of $3,000,000 FMSIB contribution.
* If total project costs decline on the I-5/54th Ave. E I/C project, retain the original percentage share (i.e., $3,000,000 / $23,700,000) or about 12.7 percent, on FMSIB contribution.

*MOTION CARRIED*

*Director Ziegler* gave an update on the *City of Marysville’s I-5 / SR-529 Interchange Project*:

In June 2015, this project received full funding through Connecting Washington.

FMSIB could ask for a full refund since the Legislature funded the entire project cost as presented by the City ($50 m appropriation vs. $47.5 m cost estimate). The City has been approached about this. They asked if the funding could be transferred to another freight project and were told this is not possible. WSDOT staff stated they believe the City underestimated the project costs and provided copies of the WSDOT’s Scoping Estimate which shows the project cost at $55 million:

* $47.25 million Construction
* $7 million PE
* $0.75 million R/W

The Legislature funded this project at $50 million, and the WSDOT staff argue this appears to presume a $5 million FMSIB contribution. The Board options are as follows:

1. Do nothing and provide $5 million in the 2019-21 biennium as planned.

2. Remove FMSIB funding allocation from this project and advise the City. Allocate the $5 million to other projects in the 2018 Call for Projects.

3. Await WSDOT revised estimate scheduled for 4Q17 (Design-Build scheduled due date), and revisit issue at beginning of 2018.

*Based on Board discussion, it was decided to follow option 3 and defer a decision and to revisit the topic at the November 2017 or January 2018 Board meeting.*

*Director Ziegler* gave an update on the *City of Lacey’s Hogum Bay Road Truck Route Project*:

* The original FMSIB application included truck slip ramp from I-5 SB to Hogum Bay Road, as well as widening of Hogum Bay Rd. Not much progress was made by the City of Lacey in securing remaining funding.
* The City reactivated the project in 2015 and created a Phase I ($1.2 m) and Phase II ($2.8 m) delivery approach.
* In the meantime, Connecting Washington fully funded a completed Marvin Rd. interchange at $72 million.

The current WSDOT design appears not to include the truck slip ramp. FMSIB staff conclusion/recommendation:

* The current WSDOT design does not include a direct access slip ramp to Hogum Bay Road.
* This direct access was a key determinant in awarding the project $4 million
* Recommendation: Advise the City (and WSDOT) that the $2.8 m remainder of the City’s original $4 million award will be returned to FMSIB

*Based on Board discussion, it was decided to defer a decision and to revisit the topic at the November 2017 or January 2018 Board meeting.*

FMSIB SUBCOMMITTEE 2017-18 APPOINTMENTS

The 2017-18 FMSIB Committee appointments are as follows:

Project Selection Legislative

Pat Hulcey, Chair Tom Trulove, Chair

Matt Ewers Leonard Barnes

Tom Trulove John Creighton

Bob Watters Matt Ewers

Dan Gatchet

Johan Hellman

Pat Hulcey

Bob Watters

Administrative Outreach

Tom Trulove, Chair Leonard Barnes

Leonard Barnes John Creighton

Dan Gatchet Tom Trulove

Art Swannack

FMSIB 2018 MEETING SCHEDULE

Mr. Ewers so moved to adopt the below 2018 meeting schedule and Mr. Watters seconded the motion.

* January 19 Olympia
* March 16 SeaTac
* June 1 Suquamish
* September 21 Walla Walla
* November 16 Spokane

*MOTION CARRIED*

NEXT MEETING

Chair Dan Gatchet requested a motion to hold the next FMSIB Board meeting on November 17, 2017, in Vancouver, WA. Mr. Hellman so moved and Mr. Hulcey seconded the motion.

*MOTION CARRIED*

Chair Dan Gatchet adjourned the meeting at 1:00 p.m.

*MEETING ADJOURNED*

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Dan Gatchet Attest: Brian Ziegler

Chair Director