

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

March 26, 2021 • 9 a.m. – 11:25 a.m. • GoToMeeting
TVW Recording [FMSIB 032621](#)

In Attendance

BOARD MEMBERS

Dan Gatchet, Chair
Leonard Barnes
Matt Ewers
Johan Hellman
Temple Lentz
John McCarthy

Anne McEnery-Ogle
Roger Millar
Art Swannack
Bob Watters
Ben Wick

Not Present:
Erik Hansen
Ex officio Aaron Hunt

FMSIB STAFF

Brian Ziegler, Director
Gena Workman, Executive Assistant

Meeting Convenes

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

Approval of Meeting Minutes

Board Action Item: Adoption of January 15, 2021, Board Meeting Minutes

MOTION:

Chair Gatchet entertained a motion to adopt the January 15, 2021, meeting minutes as presented. Ms. Anne McEnery-Ogle so moved to adopt the minutes as presented. Mr. Leonard Barnes seconded.

MOTION CARRIED

FMSIB Budgets

Director Ziegler reviewed the FMSIB Operating and Capital Budgets.

Operating Budget

FMSIB is tracking well and anticipates maintaining expenditure at 95 percent of allotments through the end of the biennium.

Capital Budget

Director Ziegler reviewed the project expenditure chart sorted by biennium and likelihood to expend this biennium. Most projects are in construction with an estimated \$24.4 M expended by the end of the biennium. We are 83 percent through the biennium, and FMSIB has expended approximately 60 percent of construction dollars authorized. Project sponsors have been notified that they have three

months left to request reimbursement. Director Zeigler is projecting close to 70 - 80 percent of biennial appropriation will be spent by end of the biennium.

The Project Status Chart shows most FMSIB projects are in construction or open to traffic. There are only a few changes since the last meeting as the project quarterly reports are not due until the end of March. About half of FMSIB projects are “first dollars in” (less than four years from award to construction) and the other half are “last dollars in” (four years or more from award to construction).

Director’s Report

Please see the Board meeting packet for the complete report on Director Ziegler’s activities since the January 15, 2021, Board meeting. A few highlights are as follows:

FMSIB 2021-23 Biennial Budget

On January 18 and 19, FMSIB staff provided a 15-minute overview of the agency’s 2021 priorities to the House and Senate Transportation Committees. The presentation included the new 60-second video, the new slide show, and the 2020 Annual Report.

2020 Annual Report

The 2020 Annual Report was distributed in February 2021. The distribution was primarily electronic (750) with a few printed copies (20).

Legislative Update-Transportation Revenue Proposals

New Law Proposals - Director Ziegler reviewed the Preliminary Comparison Transportation Investment Proposals Chart which summarizes a detailed comparison of the four new law transportation revenue proposals in both Transportation Committees. Senator Hobbs’ proposal is the only one that includes new money for FMSIB (\$50 M). FMSIB staff provided testimony in support of Sen. Hobbs’ proposal and an appreciation email to Senator King after the release of his proposal.

Representative Fey acknowledged that his proposal provided maintenance and preservation funding for WSDOT, TIB, and CRAB but not FMSIB. Chair Fey acknowledged this was an oversight and requested FMSIB submit written supplemental materials (included in meeting packet). Additional details provided under agenda topic FMSIB Preservation Projects.

Current Law Proposals - Director Ziegler a comparison chart of the two current law budget proposals. Current law is required to be adopted within current law revenues. The Governor, House, and Senate Budget proposals fully fund FMSIB for the next two years. The House Budget still includes the prohibition for a Call for Projects and removes \$7.5 M in Future Projects. The Governor and Senate Budgets allow FMSIB to conduct a Call for Projects starting July 1 and the Senate Budget also includes a \$7.5M line item for future projects. House and Senate Budgets require a LEAP List with new language included to simplify the change process.

Board Discussion

Mr. Barnes stated that he is having a difficult time with FMSIB being denied a Call for Projects and funding for a future call. He expressed concern that this should not be a guessing game and that FMSIB, cities, counties, ports should understand the legislative vision so we can be a team player.

After all this time, he still does not understand the legislative plan or when it will be available so FMSIB can participate.

Chair Gatchet agreed with and appreciated Mr. Barnes comments and stated he also doesn't understand why FMSIB continues to be denied doing its core business. When Chair Gatchet initially met with Chair Fey, Chair Fey expressed concerns about lack of diversity on the Board, that the Board scope is narrow, that the way the original FMSIB director appointment occurred sounded fishy, and that FMSIB is not spending the money quick enough. Chair Gatchet tried to explain at that time that FMSIB is willing to be the first money into projects which can cause a delay in money being spent. FMSIB has since made an effort to track spending differently and tried to spend money quicker; however, it appears that it has not been to Chair Fey's satisfaction.

Mr. McCarthy shared Mr. Barnes frustrations with FMSIB being prohibited from doing a Call for Projects. Mr. McCarthy had an earlier conversation with Representative Fey for more insight. Mr. McCarthy's impression was that Representative Fey is overwhelmed by all the projects coming at him that need to be completed and his hesitancy to add new projects. They had a brief conversation about the makeup of the Board and Representative Fey indicated he would take another look at things. Mr. McCarthy also asked Representative Fey about how the allocations for TIB and CRAB seem to be at a different level than FMSIB. Mr. McCarthy understood Representative Fey to say that he sees the difference between those organizations and FMSIB is that their projects have already started. (Note: Due to connection issues, much of Mr. McCarthy's comments were inaudible).

Chair Gatchet expressed his appreciation to Mr. McCarthy for reaching out to Representative Fey and expressed an interest in meeting with Representative Fey, Mr. Millar, and Mr. McCarthy to try and figure out a path forward. It seems counter-intuitive to get funding but not be able to spend it on good projects.

Mr. Millar summarized that these are current law budget proposals and not new revenue. There is a shortfall in current law revenue, and we have a fish passage obligation and Connecting Washington projects slipping. Even though there is federal money coming, the Legislature does not know yet if they can spend it in the Transportation Budget. FMSIB may be treading water if there is not a new revenue package. When there is a new revenue package, FMSIB needs to address Representative Fey's concerns and how FMSIB will show it's a team player in making Washington's economy move forward. FMSIB needs to communicate effectively to the Legislature how well we do our role as a granting agency and how it is an important element in the overall scheme along with TIB, CRAB, and local governments. Mr. Millar stated everybody wants something from legislators and when there are no new revenues, it's hard to say we should do a Call for Projects.

Mr. Hellman agreed that this is a time to step very carefully to reduce the risk of the budget getting swept.

Mr. Watters expressed that it does not make sense that FMSIB is being funded while being restricted from having a Call for Projects and then being criticized for not spending the money fast enough.

Mr. Wick stated that at least our current projects will be funded and maybe we need to keep our eye on how we can be a partner in the future. We should look at our policies and how to get the money out faster.

Mr. Barnes reiterated that waiting and sitting in the sidelines, in the dark, in a public arena is not a good outcome. Communication, respect, and listening are all keys to determine a way forward and it is important for us to engage.

Chair Gatchet agreed with Mr. Barnes and prefers engagement; however, it appears some Board members feel FMSIB should remain quiet for a while.

FMSIB Preservation Projects

At Representative Fey's request, Director Ziegler provided a letter with an analysis (included in meeting packet) of FMSIB preservation projects. From 2010 to 2018, about 70 percent of FMSIB revenues were awarded to preservation projects and projects with preservation and maintenance components. Director Ziegler provided a list of those projects to the Board. He also provided a summary of preservation revenue proposed for WSDOT, TIB, and CRAB. Based on those amounts, Director Ziegler believes it would be fair for FMSIB to receive \$160M over 16 years.

The analysis also shows that 95 percent of FMSIB's project sponsor requests come from ports, cities, or counties with 72 percent of those project funding improvements on either a state route or major connector to a state route. Almost half of the projects match a federal fund source. Director Ziegler stated it is important FMSIB be player and conducting Calls for Projects so local governments can continue to be competitive in the federal programs.

Board Discussion

In reference to the letter provided to Representative Fey, Mr. Millar asked how the "state route and/or state route connector" projects are divided. Director Ziegler clarified about half are on state routes and half are connectors to state routes. Mr. Millar surmised about 35 percent is on state routes and questioned of those, how many are legacy highways. He feels it's important we be consistent with communication on this. Mr. Millar has been bringing up the need to invest in preservation since 2016 and has consistently received opposition from FMSIB. He pointed out that as a Board, we have been focused on enhancing port facilities, not preservation.

Mr. Swannack stated that the definition of preservation is a key issue in this conversation. He used to think preservation was simply paving over an existing road. Mr. Millar acknowledged there is a lot of confusion about the definitions of preservation and maintenance. Preservation is work designed to extend the life of the facility, not patching potholes or replacing guardrails. WSDOT provides those definitions via website and work sessions.

Board Member Reports

Roger Millar: WSDOT is submitting an INFRA application for the Salmon Bay Bridge Project in partnership with BNSF. WSDOT is coordinating with NWSA, WSU, and Mark Anderson (hay and grain shipper) to conduct research on a potential intermodal facility in Ellensburg. WSDOT is one of many agencies working on the Governor's response to Idaho's Representative Simpson's proposal for the Snake River dams. WSDOT is working on updating the Freight and Goods Transportation System & Strategic Freight Corridor designation and will be presenting that to the Board in November. WSDOT is responding to requests from Legislature and scoping a strategic plan update for the PCC Rail network.

Johan Hellman: The Salmon Bay area is next to the Ballard Locks and is an important corridor for passenger and freight and serves the northwestern ports. The project also removes a lot of trucks off the road which is important in Seattle. The Salmon Bay Bridge is 100 years old and if it were to get stuck it would have a huge impact on passenger and freight rail and maritime traffic.

Chair Gatchet: Offered letters of support from FMSIB if it would be helpful for the Salmon Bay Project.

Art Swannack: Most of Southeast Washington has written in opposition to Senator Simpson's proposal to remove the Snake River dams. It would have severe impacts to freight in terms of grain moving downstream and fertilizer and supplies going upstream.

Bob Watters: SDOT is considering eliminating a lane along the West Marginal Way Heavy Haul Corridor to make a two-way bicycle lane. There are so few heavy haul corridors as it is, and letters have been submitted asking SDOT to at least wait until the high-level bridge issue is resolved. Mr. Watters suggested the Board discuss this issue with SDOT about when they present on the East Marginal Way Corridor.

John McCarthy: Comments were inaudible due to poor audio connection.

Future Agenda Item: Ask SDOT about their plans to add bicycle lanes to West Marginal Way Heavyweight corridor at a future meeting.

City of Spokane - Valley Barker Road Corridor - Update

City of Spokane Valley opened bids on the Barker Road Grade Separation Project and construction began March 8. Chair Gatchet participated in the city's "Virtual Groundbreaking" ceremony by providing video comments on behalf of FMSIB. The city has published a short video describing the benefits of this project and other Barker Road Corridor Improvements. FMSIB provided early funding (2010) for this project and for several of the other investments described here:

<https://www.spokanevalley.org/BarkerBNSF>

City of Seattle - East Marginal Way Phase 1 - Update

The City of Seattle's East Marginal Way Heavy Haul Corridor Project is advancing on schedule. At the January 2021 meeting, the city requested advancement of funding from Phase 2 to Phase 1. In response, the Board raised two questions.

City staff originally planned to return to the March 26 Board meeting and answer the two questions for the Board; however, the necessary railroad meeting is not scheduled until March 29. The city requested postponement of this Board discussion until the June 4, 2021, Board meeting.

In the interim, the city summarized the status of the two Board questions as follows:

1. *What is the status of the railroad agreements necessary to implement the preferred project design?*
 - SDOT received feedback from UPRR in February about changes needed to our 10% plans before UPRR can approve them. Our design team is working through the final details of those changes now.
 - Our diagnostic site visit with UPRR and BNSF is scheduled for 3/29 and 3/30 (immediately following the FMSIB meeting). This meeting will include visits to each intersection on the project

corridor where a railroad track is also present and will inform whether any additional changes are needed at intersections that would impact scope or budget.

- The Real Estate departments of both railroads are still reviewing our questions about railroad franchise agreements.

With this recent progress, we expect to be well along the path to agreement with the railroads by the June FMSIB meeting.

2. *When does the city need a Board decision on the request to advance FMSIB funds?*

- Waiting until June to determine whether full funding is possible will not change the design progress currently underway since we will continue to focus on just the project elements that involve the railroads.

- SDOT plans to apply for BUILD funding again – the call for applications is expected in late March.

June would be an ideal time to request using a portion of our programmed FMSIB funding to fill our Phase 1 shortfall. By that time, we should be able to verify the shortfall amount (given the current progress with the railroads). This would also be about the time when SDOT would hesitate to move forward in finalizing design without assurance that the project could be funded (by BUILD or by using some of our programmed FMSIB funds).

Director Zeigler noted that the city is working diligently with both railroads and they have concurrence on ownership and scope. They still need to conduct an on-site investigation with the railroads to get agreement and that is scheduled for next week. The city plans to update the Board at the June meeting.

Future Agenda Item: City staff will provide an update at the June 4, 2021, Board meeting.

Call for Project Planning

FMSIB was created in 1998 to fund critical freight mobility projects in Washington State, whose economy is highly trade dependent. To fulfill this mission, the Board regularly issues a “Call for Projects” as a core business function. Over the last 22 years, Board members, staff, and technical support volunteers have participated in 13 Calls for Projects, conducting about one Call every other year. The last Call was in 2018 and the next likely Call would have been 2020, but for the legislative prohibition.

That legislative prohibition (if not extended in the current session) expires on June 30, 2021. It’s possible that any legislative action to continue or suspend that prohibition could occur mere weeks before the current prohibition expires. So, it is prudent for FMSIB Board members and staff to consider what the next Call for Projects will look like so that FMSIB will be prepared to implement the Legislature’s direction quickly and efficiently.

A typical Call involves the Board, the Board’s Project Selection Committee, and a Technical Scoring Committee composed of external partners (WSDOT, WPPA, AWC, WSAC, BNSF, etc.). Also, project sponsors, their project partners, and in many cases, hired consultants, will respond to the Call by preparing extensive documentation on their proposed project and submitting it to FMSIB for

evaluation. The entire process, from the time of announcement to Board award is historically about six months.

This year, the historical six-month process will likely need to be compressed. Absent any legislative action to the contrary, the Board could issue a Call for Projects on July 1 (when the current prohibition expires). Ideally, the Board would approve the subsequent project awards in September 2021 so those projects could be included in FMSIB's budget proposal to the Governor in October. For planning purposes, Director Ziegler shared a *draft* schedule of important tasks and milestones for Board consideration if FMSIB is going to present a plan for the 2022 Legislature. These are preliminary steps FMSIB could do to be prepared just in case the Legislature authorizes a Call.

Board Discussion

Chair Gatchet noted that based on earlier comments by several Board members, our approach may be to hold off on any planning and remove specific dates on the draft schedule for now since there's a high probability FMSIB won't be able to conduct a Call.

Mr. Swannack suggested FMSIB wait until the June Board meeting for further planning or Board action.

Mr. Wick noted the Board has discussed the possibility of developing a new approach for FMSIB Calls and this may be a good time to convene the Project Selection Committee. He suggested the Project Selection Committee could develop some proposals for the Board to consider regarding advancing projects quicker and consider allocating a portion of our projects' focus on preservation and maintenance since these issues have come up a lot. The next Call may look different than it has in the past.

Mr. McCarthy wanted to be clear that FMSIB would like the support to do a Call. He fully supports taking preliminary steps to prepare for a Call, as long as no action is taken that could be perceived as a challenge to authorities. Further comments by Mr. McCarthy were inaudible due to poor audio connection.

Director Ziegler noted that this is a draft plan and acknowledged Chair Gatchet's comments that the dates be removed, and he will schedule a Project Selection Committee meeting between now and Sine Die on April 25.

Recommendation: The Project Selection Committee convene to review FMSIB's Calls for Projects process.

Staff Action Item: Director Ziegler to convene a Project Selection Committee meeting to review scope of FMSIB Calls for Projects and a new Call schedule. Current draft planning dates will be removed.

Future Agenda Item: Project Selection Committee bring proposals to the Board.

Authorized Call for Projects – Contingent on Legislative Action

Board Action Item: FMSIB staff continue developing a July 1 Call for Projects plan, unless the 2021 Legislature does not authorize a Call for Projects.

Director Ziegler reviewed a document listing reasons why FMSIB should conduct a Call for Projects. A Call for Projects is a planning function to identify needs and present those needs to the Governor and Legislature who then decides to fund or not. A Call does cost FMSIB anything, but it does cost

project sponsors time and effort. Since FMSIB has not been allowed to do a call since 2018, the portfolio numbers are getting low and there is a concern freight needs aren't being met.

Based on Board discussion during previous agenda item "Call for Projects Planning," Director Ziegler noted the Board will delay any action to plan for a potential Call until the Legislature is done (Sine Die April 25) or June Board meeting. In the interim, the FMSIB Project Selection Committee should convene to review scope of FMSIB Calls for Projects.

MOTION: None noted.

Recommendation: Delay Board action until Sine Die, April 25.

Future Agenda Item: Revisit action item if Legislature allows a Call.

Appointments to Board Project Selection Committee

Board Action Item: Appoint Project Selection Committee members.

Director Ziegler shared that Project Selection Committee participation involves two meetings and some homework. As noted under agenda item "Call for Projects Planning," the Committee will convene its first meeting after Sine Die (April 25).

Board Discussion

Chair Gatchet opened the floor for any volunteers to serve on the FMSIB 2020-21 Project Selection Committee. Mr. McCarthy commented that there should not be a limit for the number of volunteers, and Director Ziegler clarified there is not a limit. The final 2020-21 FMSIB Project Selection Committee members are as follows:

Ben Wick, Chair
Matt Ewers
Anne McEnery-Ogle
John McCarthy
Bob Watters

Director Ziegler stated that a motion is not required.

MOTION: None noted.

Staff Action Item: Update the 2020-21 Project Selection Committee document.

June Board Workshop Planning

Board Action Item: Adopt 2021 workshop topics.

Director Ziegler reminded the Board when the 2021 Meeting Schedule was adopted, we were unsure which meetings could be held in-person or virtual. Since the June Workshop & Board meeting will need to be virtual, the Board can take action if they prefer a one or two-day meeting.

Director Ziegler also shared past workshop topics, typical topics, and some new ideas topics.

Mr. McCarthy asked if it was possible to schedule the workshop later in the year so FMSIB could hold an in-person meeting. Chair Gatchet solicited Board input. Ms. Lentz noted that waiting until fall would probably work and that we may have more strategic planning in place. Mr. Ewers and Mr.

Barnes agreed. Chair Gatchet stated there appears to be consensus to move the workshop to September 16 (the day before the already scheduled September 17 Board meeting). Chair Gatchet suggested some possible September 16-17 Workshop/Board meeting locations be Walla Walla, Stevenson, and Suquamish. He also stated that FMSIB tries to have meetings where we have projects, but that is not a driving criteria. Mr. Swannack suggested anywhere we could get a good deal but still an area where freight projects are occurring. Chair Gatchet requested FMSIB Staff research possible in-person meeting locations for a September 16-17 Workshop/Board and then we'll send out a notice.

Based on Board discussion, workshop topics will be postponed until the June 4 Board meeting.

Recommendation: Cancel June 3 Workshop and postpone adopting Workshop topics until next meeting.

Staff Action Item: FMSIB staff will research in-person meeting location for September 16 workshop meeting location and report back to the Chair.

Future Agenda Item: Adopt topics for Workshop at the June 4 Board meeting.

MOTION: None noted.

Next Meeting

Board Action Item: Adopt next meeting date.

Board Discussion

Director Ziegler suggested the Board consider an early May Board meeting and not wait until June given the uncertainty surrounding a Call for Projects. Mr. Swannack noted that based on the time it takes to sort out what really happened in Session, he is fine keeping our current meeting date on June 4. Director Ziegler stated that if a Call for Projects is authorized, the Board could convene a special meeting (with 48-hour notice) in May for Board action to conduct a Call for Projects.

Based on Board discussion under agenda topic, "June Board Workshop Planning," the Board will cancel the original June 3 Workshop date and move the Workshop date to September 16 if an in-person meeting location is available.

The June 4 Board meeting will be held virtually as planned.

The Board may convene a special meeting in May to adopt a Call for Projects if the Legislature approves.

Future Agenda Item: Adopt September 16-17 Workshop/Board Meeting dates.

MOTION: Chair Gatchet entertained a motion to cancel the June 3 Workshop Meeting. Mr. Millar so moved, and Mr. Barnes seconded.

MOTION CARRIED

Meeting Adjourned

Chair Gatchet adjourned the meeting at 11:30 a.m.

Summary of Board Motions & Recommendations:

- 1) Adoption of January 15, 2021, Board Meeting Minutes. *Motion Carried (page 1)*
- 2) Call for Projects Planning: Project Selection Committee convene meeting. *No Motion (page 7)*
- 3) Authorize 2021 Call for Projects-Contingent: Delay Board action until after Sine Die, April 25. Revisit at June 4 Board meeting or hold special meeting in May. *No Motion (page 8)*
- 4) Project Selection Committee Appointments: Ben Wick-Chair, Matt Ewers, Anne McEnerny-Ogle, John McCarthy, and Bob Watters. *No Motion (page 8)*
- 5) June Board Workshop Planning: Workshop moved to September 16 in-person meeting, plan for September workshop at June Board meeting. *No Motion (page 9)*
- 6) Next Meeting: June 3 Workshop canceled. *Motion Carried (page 9)*
June 4 meeting - virtual. Possible special meeting in May.

Summary of Staff Action/Direction Items:

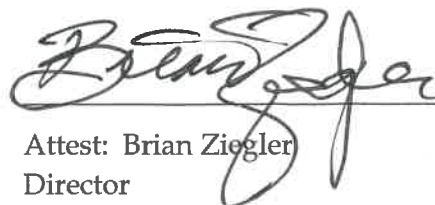
- 1) Call for Projects Planning: FMSIB Staff to convene Project Selection Committee meeting after April 25. *(page 7)*
- 2) Project Selection Committee Appointments: Staff to update FMSIB Project Selection Committee documents. *(page 8)*
- 3) June Board Workshop Planning: Staff to research and plan for in-person workshop/board meeting locations for September 16-17, 2021. *(page 9)*

Summary of Future Agenda Item:

- 1) Ask City of Seattle about bikelane plans on West Marginal Way Heavy Haul Corridor at a future Board meeting. *(page 5)*
- 2) City of Seattle will provide an East Marginal Way Phase 1 update at the June 4, 2021, Board meeting. *(page 6)*
- 3) Call for Projects Planning: Revisit possible planning for a FMSIB Call for Projects at the June 4, 2021, Board meeting. *(page 7)*
- 4) Authorize 2021 Call for Projects-Contingent: Pending Legislation, revisit authorization for a Call at June 4 meeting or conduct special meeting in May. *(page 8)*
- 5) Project Selection Committee: bring Call for Projects proposal to the Board. *(page 8)*
- 6) Workshop Planning: Adopt September workshop topics at June 4 Board meeting. *(page 9)*



Dan Gatchet
Chair



Attest: Brian Ziegler
Director