

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

June 4, 2021 • 9 a.m. – 11:25 a.m. • Zoom Meeting
TVW Recording [FMSIB 06-04-21](#)

In Attendance

BOARD MEMBERS

Dan Gatchet, Chair	Anne McEnery-Ogle	Not Present: None
Leonard Barnes	Roger Millar	
Matt Ewers	Art Swannack	
Erik Hansen	Bob Watters	
Johan Hellman	Ben Wick	
Temple Lentz	Ex officio Aaron Hunt	
John McCarthy		

FMSIB STAFF

Brian Ziegler, Director
Gena Workman, Executive Assistant

GUEST PRESENTERS

Kjristine Lund, Lund Consulting, Inc

Meeting Convenes

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

Approval of Meeting Minutes

Board Action Item: Adoption of March 26, 2021, Board Meeting Minutes.

MOTION:

Chair Gatchet entertained a motion to adopt the March 26, 2021, meeting minutes as presented.

Mayor McEnery-Ogle so moved to adopt the minutes as presented. Commissioner Swannack seconded.

Mr. Ewers asked Commissioner McCarthy if the minutes accurately reflected his comments since Commissioner McCarthy was having audio difficulty at the March meeting. Commissioner McCarthy confirmed the minutes accurately reflected his comments.

MOTION CARRIED

FMSIB Budgets

Director Ziegler reviewed the Operating and Capital Budgets.

Current Operating Budget

Operating budget is on schedule to deliver at about 95 percent. Much of the savings is due to limited Board member travel.

Current Capital Budget

The 2019-21 Capital Budget chart shows the financial status through the end of April. Most projects are under construction and are expending funds. Of the \$36,144,000 approved expenditure for this biennium, we have expended \$24,855,000 or approximately 69 percent with two months remaining. The Legislature did not make any adjustments for the first supplemental budget. For the second supplemental, the Legislature reduced FMSIB's approved expenditures from \$36,144,000 to \$28,194,000. Director Ziegler reviewed project updates noted on the Project Milestone chart. See Director's Report for further details.

Board Discussion

Mr. Ewers asked how it works if FMSIB has only \$3.5 million to spend with \$12 million outstanding obligations. Director Ziegler explained that much of FMSIB's reduction in appropriations were moved to the next biennium, and he does not foresee there being an issue.

Secretary Millar mentioned that SR 529/I-5 Interchange Expansion experienced some issues and expenditures will be delayed until the 2021-23 Biennium.

Mayor Wick pointed out that Spokane Valley's Barker Rd/BNSF Grade Separation project recently had its groundbreaking event and is in construction, so the chart needs to reflect that change. Director Ziegler acknowledged that change will be made.

FMSIB 2021-23 Biennial Budget

FMSIB received \$756,000 appropriation in the Operating Budget for the 2021-23 Biennium.

The new Transportation Budget included good news, bad news, and new news for FMSIB:

1. FMSIB's Operating and Capital Programs are fully funded for 2021-23.
2. No revenues for "Future Projects" are provided in the 2021-23 Biennium, representing a redirection of approximately \$7,500,000.
3. The LEAP List continues to identify \$22,000,000 for "Future Awards" in the 23-25 Biennium and \$28,500,000 in the 25-27 Biennium.
4. A Call for Projects is not authorized in 2021-23.

The final budget also included some new provisos:

1. FMSIB is directed to "in coordination with WSDOT as it updates its federally-compliant freight plan, ... identify the highest priority freight investments for the state, across freight modes, state and local jurisdictions, and regions of the state." FMSIB must deliver a status report by December 1, 2021 and a final project list by December 1, 2022.
2. No authority is provided for WSDOT convene a Freight Advisory Committee.

3. WSDOT is directed to “consult” with FMSIB in WSDOT’s development of the federally compliant “freight plan update and on the investment plan component that describes how the estimated funding allocation for the national highway freight program for federal fiscal years 2022-2025 will be invested and matched.”

For further details, please see agenda item titled, “Legislative Recap” and in the slide presentation titled “Freight Policy and Project Advisory Committee (FPPAC) - Progress Report.”

Staff Action Item: Director Ziegler will update the Project Milestone chart to reflect Spokane Valley’s Barker Rd/BNSF Grade Separation project is under construction.

Director’s Report

Please see the Board meeting packet for the complete report on Director Ziegler’s activities since the March 26 Board meeting. A few highlights are as follows:

Project Status Updates

City of Fife, 70th Ave. E. Undercrossing (“Last Dollars”) - Fife is an example of local governments being closely attuned to the freight mobility needs of their communities and seeking grant support for projects from a variety of sources. Fife is uniquely positioned to understand the congestion and safety problems urban communities face where high volumes of international freight are being moved through the city.

When the Legislature funded the Connecting Washington Transportation Package in 2015, jurisdictions who were adjacent to the Puget Sound Gateway Corridor (SR-167 and SR-509) were expected to come up with \$130 million in local funds to match the state contributions. In 2018, Fife applied for and received a \$5 million FMSIB award for the 70th Ave. E. Undercrossing, fully funding that phase of the Puget Sound Gateway Corridor. Since FMSIB’s funding was “last dollars” into the project, final design was quickly completed, and construction began in the Fall of 2019.

The project is nearly complete. During the first two weeks of June, Fife will be taking onsite ribbon cutting photos on an individual basis. The project should be opening to traffic soon after that. Fife has renamed the roadway Wapato Way East.

City of Kent, South 228th Street Overcrossing - UPRR (“First Dollars”) – FMSIB first awarded funding to this major east-west corridor in 2004. The project scope involved two railroad crossings and a new route connecting the Kent Valley warehousing/distribution district to I-5. This three-phase project is now completed with the recent grade separation at the UPRR Phase I of the project extended S. 228th Street up the west hill of Kent from 64th Avenue. S. to Military Road and connected the valley with I-5 and the future I-509. This phase included a new bridge across the Green River and a new bridge crossing the corridor at Riverview Boulevard. Phase I was completed in Fall of 2006. Phase II constructed a railroad grade separation at the Burlington Northern Santa Fe rail lines on S. 228th Street and was completed in November 2009. And this last project, Phase III, constructed the railroad grade separation at the UPRR on S. 228th Street. This completes the corridor and connects the valley warehousing/distribution district with I-5 and the future SR 509.

Chair Gatchet attended the ribbon cutting on April 15, 2021.

Other Project Updates - FMSIB was “last dollars” into Chelan County’s West Cashmere Bridge project that will be completed in November 2021. The City of Longview’s SR 432/411 Intersection

Improvements project was completed in May 2021. The City of Sumner's SR 410 Traffic Ave/E Main is open to traffic. The City of Tacoma's Taylor Way Rehabilitation project should be completed this fall. FMSIB awarded money to Spokane County's Bigelow Gulch Phase 3 in February 2021 which is the last of 6 phases. The City of Seattle will provide an update on EMW Heavy Haul project at the September Board meeting.

Future Agenda Item: City of Seattle will provide an update on EMW Heavy Haul project at the September Board meeting.

Board Member Reports

Chair Gatchet: Attended the ribbon cutting for Kent's S. 228th St. Overcrossing project and was amazed at how much industry growth has occurred in the Kent Valley over last 15 years. This was a much-needed project that would be difficult to adopt in today's environment since there is a desire to get projects shovel-ready sooner.

Mr. Watters: T-5 Developments - biggest news in June is the port now has four Super Post Panamax cranes. All complimentary equipment should be here in January 2022. Ships are waiting at anchor because T-18 is completely full. Part of that problem is due to rail congestion. This long wait at anchor is occurring up and down the West Coast. COVID depleted inventories and businesses are now trying to ramp up inventory. There are negotiations taking place for T-5 tenants.

Mr. Ewers: Attended the FHWA & WSDOT first of a four-part series on truck parking. Commissioner Swannack, Mayor McEnerny-Ogle, and Ms. Shari Call also attending the workshop. Mr. Ewers is glad to see this longtime and very important freight industry issue in Washington get some attention.

Mayor McEnerny-Ogle: Attended truck parking workshop. The City of Vancouver had about 50 individuals from trucking and marine freight participate in a listening session on the I-5 bridge. Many talked about congestion and the negative impacts, including attracting and retaining employees.

Mr. Hellman: Mr. Hellman noted that the BNSF has deployed all locomotives they had in storage to help with the supply chain issue. They are seeing their velocity improve and are getting closer to getting a high velocity network. We tend to see this kind of activity when there is a major supply change shift, and it can be disruptive for a time.

Commissioner McCarthy: Expressed appreciation for FMSIB's letter of support for the Port of Tacoma's INFRA grant application for a container yard project on Thorne Road.

Legislative Recap

Director Ziegler shared the final version of FMSIB's 2021-23 Budget and Comparison to Gov/House/Senate Budget Proposals chart. (Please see Board packet for details.)

FMSIB's Operating Budget is fully funded with enough to resume travel and possibly consulting work.

FMSIB's Capital Budget fully funds the current LEAP List.

Board Discussion:

Secretary Millar commented that the final transportation budget language was silent on the Freight Advisory Committee. WSDOT is not prohibited from creating an advisory committee but does not think it's advisable. WSDOT is required to update their freight plan and will reach out to stakeholders individually and to FMSIB.

Freight Policy & Project Advisory Committee (FPPAC) – Progress Report

FPPAC and Legislative Direction

In response to the FMSIB's new budget proviso, FMSIB's Project Selection Committee became the FPPAC and Mayor Wick volunteered to be the Chair. Mayor Wick provided an overview of committee activities to date. FPPAC has met three times and is working with WSDOT on the provisos. Please see the meeting packet for detailed PowerPoint slides.

Mayor Wick expressed appreciation to the committee members who signed up for project selection but now have a new role as FPPAC. He believes it's a good step and is looking forward to working with WSDOT's Mr. Pate and Mr. Beloso.

Director Ziegler noted that FMSIB will not be conducting traditional call for projects, but the Legislature has directed FMSIB to complete the following tasks:

- 1) "By December 1, 2021, the board must submit a preliminary report providing a status update on the process and methodology for identifying and prioritizing investments."
- 2) "By December 1, 2022, the board must submit a prioritized list of freight investments that are geographically balanced across the state and can proceed to construction in a timely manner."
 - a. "The prioritized freight project list for the state portion of national highway freight program funds must first address shortfalls in funding for connecting Washington act projects."

SSB 5165, Sec. 301(3), directs FMSIB to complete the above tasks, "In coordination with WSDOT as it updates its federally-compliant freight plan, the board is directed to identify the highest priority freight investments for the state, across freight modes, state and local jurisdictions, and regions of the state." SSB 5165, Sec. 311(7) directs WSDOT to, "When the department updates its federally-compliant freight plan, it shall consult the freight mobility strategic investment board on the freight plan update and on the investment plan component that describes how the estimated funding allocation for the national highway freight program for federal fiscal years 2022-2025 will be invested and matched."

FPPAC will be doing a lot of work this summer so this topic can be discussed at the September workshop and the proviso's preliminary report adopted at the November meeting.

Board Discussion

Secretary Millar commented that everything in FMSIB's provisos relates to state freight investments except for the language about state portion of the National Highway Federal Program (NHFP) fund shortfalls (see 2a above). The 2021 Legislature directed half of the NHFP funds to WSDOT for preservation and the other half to WSDOT Local Programs for developing a program for local governments that WSDOT is to administer. WSDOT is not sure why this language is in FMSIB's proviso as well, so Secretary Millar said he would not put a lot of emphasis on the word "project" as

it relates to everything else the Legislature has directed FMSIB to do. Director Ziegler noted that the language mentioned by the Secretary about NHFP funding was in WSDOT's biennial budget while the NHFP funds and freight plan update are likely to be a five- or six-year planning horizon. He asked Secretary Millar if he thought it FMSIB might have a role in advising WSDOT on the remaining three to four years of the NHFP funding. Secretary Millar thinks the legislative direction is really an opportunity for FMSIB to reinvent itself. He suggested FMSIB not get out in front of the Governor or Legislature and not to assume the appropriation of the remaining money is something FMSIB should be talking about.

Chair Gatchet commented that traditionally FMSIB's scope is narrow, but the budget provisos make it clear that the Legislature wants something different from FMSIB. He suggested maybe FMSIB should meet with Representative Fey or his staff to get a better understanding, so FMSIB is not heading down the wrong path.

Secretary Millar agrees clarity is important, and although FMSIB is proud of its project selection process, we are hearing from Representative Fey that there is an opportunity to reinvent ourselves. Secretary Millar believes the sweet spot for FMSIB has always been first/last mile connection and at-grade crossings. It gets mixed up if FMSIB gets involved with where the resources should go. Those conversations can bring conflict. An excellent grade crossing study already exists with projects that are prioritized and need to get done. We know there are truck parking issues, port access issues, and there is a desire for intermodal facilities on eastside to make us more compete in global market. FMSIB needs a niche that doesn't compete with TIB, CRAB, or WSDOT. Secretary Millar would not put a lot of energy into a call, methodology, or ranking system but into identifying strategic investments in the first report with suggestions. Once the Legislature tells us how much money to appropriate, then we can develop a list of projects. We should be talking with the legislative members soon to see if we are going the right direction.

Commissioner Swannack stated that he thinks the Legislature is looking for some methodology on what to spend money on and that they are looking to FMSIB to use its expertise to help them figure out priorities. He also believes the Legislature may be worried about the Connecting Washington projects getting done and a prioritized freight project list would help to focus spending. Commissioner Swannack encourages FMSIB to keep looking at those projects with a longer time horizon and not just the ones that take a couple years. Major projects take can easily take four to eight years, so he doesn't want to see FMSIB change to do only short-term projects. If we are going to do strategic projects, it will take time.

Secretary Millar suggested FMSIB rethink the "first money in" approach and consider making recommendations to the Legislature on strategic projects to fund and provide a list in priority order, then the Legislature would draw the line.

Mayor Wick pointed out that although FMSIB has always funded construction only, there are other options to consider for contributing to earlier funding which could help strategic projects get to the next phase.

Director Ziegler noted it is a FMSIB policy to expend only construction money, so the Board can change that at any time.

Secretary Millar stated the proviso language says, “investments” not projects which means multimodal state funds can be spent on things other than capital projects, such as truck parking, reservation systems, IT systems, safety systems, fueling systems, etc.

Commissioner McCarthy said he is not opposed to reinventing FMSIB; however, the Board must recognize whatever we do might change again in a few years depending on leadership. He asked if we don’t have a call for projects process to determine the needs, how do we get information for potential investments. Secretary Millar said that before you start prioritizing projects, you can look at buckets, such as grade crossings or intermodal facilities. Those buckets can be provided to the Legislature, then if they choose to fund, we can request a call for that bucket.

Commissioner Swannack encouraged the Board to not confuse FMSIB’s long-term role with this new task. FMSIB typically looks at projects that anyone can submit. This new approach requires more consultation with local and state government to determine the needs. He would recommend keeping FMSIB’s traditional role separate from this new task. The new role is going to require providing a list of strategic investments and not just for roads.

Mr. Ewers commented that FMSIB is here to compliment WSDOT in a strategic manner, and we should keep that in mind while moving forward.

Mayor Wick appreciated the comments about existing studies for the FPPAC to consider.

WSDOT Freight Plan - Mr. Ron Pate and Mr. Jason Beloso provided an update on the 2022 State Freight Plan (see meeting packet for PowerPoint slides). Outreach to community, industry, and government stakeholders is critical as they develop this freight plan update. WSDOT is also reviewing guidelines for the new state HEAL Act as well as other federal changes.

Board Discussion

Commissioner Swannack asked that if the designation population for MPOs is changed due to the census, will that affect this freight plan. Mr. Beloso said that it might, but they don’t know at this point. Secretary Millar noted that the Heal Act impacts FMSIB. This act addresses equity and environmental justice issues related to projects and programs of state government, so everything we do will be viewed through an environmental justice screen. WSDOT would be happy to provide a HEAL Act briefing to FMSIB.

Commissioner McCarthy stated the importance of FPPAC collaborating with WSDOT during the outreach process to private business and stakeholders. Mr. Beloso confirmed that there appeared to be consensus at the last FPPAC to conduct a joint stakeholder outreach.

FPPAC Framework - Director Ziegler reviewed the draft framework for Freight Investment Identification and Prioritization that the FPPAC has considered to date. Commissioner Swannack noted that based on the HEAL Act, FMSIB will need to include a community interaction component as part of the outreach process. Secretary Millar advised that we need to take a step back from a call for projects process and instead look at strategic needs.

FPPAC Work Plan - FPPAC plans to meet every two weeks with the goal of presenting several draft outlines of the report to the Board for discussion at the September workshop. Based on Board input, FPPAC will then prepare the final report for adoption at the November Board meeting.

FPPAC Next Steps - (1) Revisions to the framework, such as HEAL Act. (2) Staff create comparison chart of FMSIB and WSDOT provisos, timelines, and other constraints. (3) Develop preliminary freight investment and prioritization criteria.

Chair Gatchet wants to make sure the next FPACC meeting addresses the different strategic buckets.

Staff Action Item: Include strategic investment buckets and HEAL Act discussion to FPACC agenda.

2021 Annual Report

Ms. Lund shared that much has shifted since last year, including the lens through which we need to be communicating with elected officials and the public. Part of the approach for this year's annual report may serve as somewhat of a strategic plan and how freight fits in with these changes, opportunities, and threats, as well as how to compile this information for best communication. Strategy will be the theme and looking at how the world has shifted and how FMSIB is relevant during these changes. Ms. Lund and Director Ziegler will develop the interview questions and schedule meetings during July and August with Board members.

Ms. Lund briefly shared two other key questions for the 2021 Annual Report:

- 1) What are the opportunities and threats?
- 2) How can FMSIB best communicate with its stakeholders and media?

Staff Action Item: Schedule Annual Report interviews with Board members in July and August.

September Board Workshop Planning

Board Action Item: Board to vote on September Workshop/Board meeting topics.

Based on March Board meeting discussion, Director Ziegler recommended the following September 2021 Workshop/Board meeting topics:

- Trucking, Rail, and Port Priorities
- Transportation Commission Presentation on Freight Elements of Washington's Transportation Plan (tentative)
- 2022 Legislative Strategy
 - Presentation of "Process and Methodology" (Proviso)
 - Funding of "Process and Methodology" (Budget request?)
 - Future of FMSIB "Calls for Projects"
- 2022 Meeting Schedule
- FMSIB Committee Assignments

Board Meeting Topics

- 2022 Legislative Strategy
 - Adoption of DRAFT "Process and Methodology" (Proviso)
 - Direction to staff on Funding of "Process and Methodology" (Budget request?)

- 2022 Meeting Schedule (Action)
- FMSIB Committee Assignments (Action)

Board Discussion

Director Ziegler will remove Transportation Commission from the workshop topics since the commission will not be meeting in-person.

Chair Gatchet requested a discussion about the future of FMSIB be added under 2022 Legislative Strategy at the workshop.

Commissioner McCarthy suggested the FPPAC disseminate several draft reports to Board members prior to the September workshop, so the Board can be better prepared for discussion and decisions.

MOTION: None noted.

Staff Action Item: Remove Transportation Commission from workshop topic. Add Future of FMSIB under 2022 Legislative Strategy workshop topic. Disseminate several FPPAC draft report options prior to workshop.

Future 2021 Meetings

Board Action Item: Board to adopt whether September and November Board meetings will be in-person or virtual. Determine January 2022 Day on the Hill and Board Meeting dates. The staff proposed:

- September 16-17 Workshop/Board Meeting held in Walla Walla.
- November 19 – Tacoma – Fabulich Center
- January 13-14, 20-21, 27-28 Day on the Hill/Board Meeting – Olympia

Chair Gatchet asked if the Board had any concerns meeting in-person for the September Workshop/Board meeting in Walla Walla or for the November meeting in Tacoma. No concerns noted.

MOTION: Chair Gatchet entertained a motion to establish our next two meetings in-person (September 16-17 Workshop/Board Meeting in Walla Walla and November 19 in Tacoma). Mr. Ewers so moved. Deputy Executive Director Barnes seconded.

MOTION CARRIED

Director Ziegler discussed plans to resume in-person (if allowed) Day on the Hill and Board meeting in January 2022 in Olympia and asked for Board member input on meeting dates. Mayor McEnery-Ogle suggested the 13-14 since 2022 will be a short session. Commissioner Swannack is not available on January 27. Based on no objections to the date, Director Ziegler we will schedule FMSIB 2022 Day on the Hill and Board meeting for January 13-14.

Staff Action: Plan for in-person meeting arrangements for September 16-17 (Walla Walla), November 19 (Tacoma), and January 13-14 (Olympia).

Meeting Adjourned

Chair Gatchet adjourned the meeting at 11:33 a.m.

Summary of Board Motions & Recommendations:

- 1) Adoption of March 26, 2021, Board Meeting Minutes. *Motion Carried* (page 1)
- 2) Adoption to establish in-person Board meetings for September 16-17 Workshop/Board Meeting (Walla Walla) and November 19 (Tacoma). *Motion Carried* (page 9)

Summary of Staff Action/Direction Items:

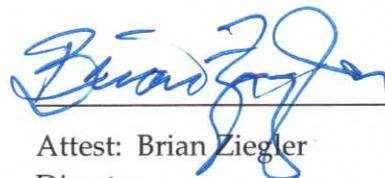
- 1) Update the Project Milestone chart to reflect Spokane Valley's Barker Rd/BNSF Grade Separation project is under construction. (page 3)
- 2) Include strategic investment buckets and HEAL Act discussion to FPACC agenda. (page 8)
- 3) Schedule Annual Report interviews in July and August. (page 8)
- 4) Workshop Topics:
 - a. Remove Transportation Commission from workshop topic.
 - b. Add Future of FMSIB under 2022 Legislative Strategy workshop topic.
 - c. Disseminate several FPPAC draft report options prior to workshop. (page 9)
- 5) Plan for in-person meeting arrangements for September 16-17 (Walla Walla), November 19 (Tacoma), and January 13-14 (Olympia). (page 9)

Summary of Future Agenda Item:

- 1) City of Seattle will provide an update on EMW Heavy Haul project at the September Board meeting. (page 4)



Dan Gatchet
Chair



Attest: Brian Ziegler
Director