

FREIGHT MOBILITY STRATE INVESTMENT BOARD
MEETING MINUTES

May 20, 2016

Kalama, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. John Creighton; Mr. Johan Hellman; Mr. Brian Ziegler; Ms. Sheri Call, Mr. Erik Hansen; Mr. Michael Karnofski; Mr. Pat Hulcey; Mr. Geir Kalhagen; Mr. Tom Trulove; and Mr. Roger Millar.

WELCOME: Chair Dan Gatchet opened the meeting with introductions.

MINUTES: Chair Dan Gatchet entered a motion to adopt the March 18, 2016 minutes. Mr. Ziegler so moved and Mr. Hulcey seconded the motion.

MOTION CARRIED

PORT OF KALAMA PRESENTATION:

Mr. Mark Wilson, Executive Director of the Port of Kalama, gave an overview of the port's history, the success of current port businesses and potential future businesses. In 1999, FMSIB helped to fund a successful bridge project and a rail project. The port is currently working with Northwest Innovation Works to build a facility that would convert natural gas to methanol and provide an estimated 200 jobs. Groundbreaking is anticipated in the first quarter of 2017. The port is also working with McMenamins to build a hotel/restaurant next to the port building. Ground breaking is anticipated in September 2016 with a completion date around November 2017. Last year, the port moved 12 million tons of cargo both inbound and outbound. Grain is the primary export terminal and 85 percent comes by rail.

TOUR OF COWLITZ COUNTY PROJECTS:

The Board took a tour of the following Cowlitz County projects:

- Port of Kalama (grain terminal track improvements funded by FMSIB)
- 3rd Ave Exit (FMSIB funding request) SR 432
- 433 Intersection (left turn lane improvements funded by FMSIB and the \$85M transportation package)
- Port of Longview Barlow Point property
- Fibre Way (Port of Longview rail corridor funded by FMSIB)
- Kalama River Bridge (funded by FMSIB)

FMSIB 2016 CALL FOR PROJECTS~FINAL PROJECT ADOPTION:

Mr. Brian Ziegler, Project Selection Committee Chair, gave the Project Selection Committee's recommendations for six projects to be considered for adoption. Executive Director Probart also provided a capital budget overview which demonstrated the proposed projects are within available and planned funding. The following six projects were put forward for Board adoption:

City of Fife *Total Project Cost: \$23.7M* *FMSIB Share: \$3.0M (12.7%)*
I-5/54th Avenue E Interchange Improvement 17-19 Biennium
Mr. Hulcey recused. Mr. Trulove moved to approve this project and Secretary Millar seconded.

MOTION CARRIED

City of Longview *Total Project Cost: \$4.2M* *FMSIB Share: \$2.1M (50%)*
SR 432/411 Intersection Improvements Split between 17-19 & 19-20 Biennium
Mr. Michael Karnofski recused. Ms. Call moved to approve this project and Mr. Hulcey seconded.

MOTION CARRIED

City of Seattle *Total Project Cost: \$140M* *FMSIB Share: \$8.0M (5.7%)*
South Lander Street Grade Separation 17-19 Biennium
Mr. Kalhagen moved to approve this project and Mr. Trulove seconded.

MOTION CARRIED

Skagit County *Total Project Cost: \$19.2M* *FMSIB Share: \$2.0M (10.4%)*
Burlington Northern Overpass Replacement 15-17 Biennium
Mr. Trulove moved to approve this project and Secretary Millar seconded.

MOTION CARRIED

City of Sumner *Total Project Cost: \$18.54M* *FMSIB Share: \$2.5M (13.5%)*
SR 410 Traffic Ave/E. Main Split between 17-19 & 19-21 Biennium
Mr. Karnofski moved to approve this project and Mr. Hulcey seconded.

MOTION CARRIED

City of Tacoma *Total Project Cost: \$18.6M* *FMSIB Share: \$2.5M (13.4%)*
Taylor Way Rehabilitation 19-21 Biennium
Mr. Hulcey moved to approve this project and Mr. Karnofski seconded.

MOTION CARRIED

BOARD MEMBER REPORTS:

Mr. John Creighton informed the Board of the Seattle City Council's 5-4 vote in opposition of the proposed Seattle Super Sonics arena. Mr. Creighton also attended the Coalition for America's Gateways and Trade Corridors meeting in May and learned there were over 200 applications for FAST Act projects. Congressman Lowenthal is trying to reintroduce his freight funding bill.

Mr. Karnofski shared that there will be a series of five public hearings on Longview's proposed Millennium Bulk coal terminal.

Mr. Johan Hellman addressed what he believes to be faulty claims by the BP Cherry Point Draft Environmental Impact Statement regarding coal dust and a projected rail capacity shortage in 12 years. Based on a study conducted by BNSF 10 years ago, BNSF has been using a topping agent that eliminates coal dust. BNSF does not anticipate future rail delivery shortages as they have been building additional capacity over the last three years and will continue to do so. For the first time, railroads hauling crude oil through Washington are required to report the estimated cleanup cost for a reasonable, worst case spill and to provide insurance information and other financial assurance of their ability to cover the costs. Mr. Hellman reported that BNSF has provided this information to the Utilities and Transportation Commission.

Chair Gatchet and Executive Director Probart gave an overview of the Washington State Freight Advisory Committee (WAFAC) activities. WAFAC recently held a webinar to review the new FAST Act criteria which now allows each state to designate its urban and rural corridors. In Washington State, there are 81 miles of urban and 160 miles of rural corridors that will need to be designated and approved by September 30, 2016, in order for additional segments of the state's transportation network to be eligible for funding over the next four years of the FAST Act. A proviso in the WSDOT budget states that based on the new federal act, stakeholders are required to review which projects would be recommended under the new federal act and WAFAC will help to validate those projects.

Executive Director Probart shared that FMSIB received a request for a letter of support for the proposed Center for Rural-Urban Connectivity, a freight-centered Tier 1 University Transportation Center consortium focused on the FAST Act's research priority of 'Improving Mobility of People and Goods.' Chair Gatchet recommended Executive Director Probart obtain additional information before sending the support letter.

DIRECTOR'S REPORT:

Projects-Highlights/Updates

- City of Tacoma, Port of Tacoma Road:

The City of Tacoma is close to completing the FMSIB portion of this project. The City of Tacoma received additional funding from the Port of Tacoma and the Transportation Improvement Board to extend the reconstruction of the road to near the I-5 interchange.

- The City of SeaTac, Connecting 28th/24th Avenue:

The project went to bid April 1, 2016.

- The City of Everett, I-5 to Port of Everett:

Everett has gone to bid, or is close to it. The FMSIB funds are part of a larger improvement due to the city receiving Connecting Washington Funding. The City needed to resubmit some of their documentation in order to receive FMSIB reimbursement.

- Port of Seattle, Marginal Way/Argo Yard:

After over a year of negotiations, WSDOT has signed off on the Local Agreement to enable this project to go forward. Construction is scheduled for late 2016.

- City of Seattle, Duwamish Truck Mobility Improvement Project:

The City of Seattle has completed its Local Agreement with WSDOT.

- City of Lacey, Hogum Bay Road:

The City is in the process of negotiating right of way for a few more parcels. They are hoping to complete this process soon and go to construction later this summer.

- City of Des Moines, S. 216th St. Segment A:

The project is underway and Executive Director Probart is receiving weekly construction notices.

Congressional

Senator Cantwell's Office contacted Executive Director Probart regarding potential FAST Act candidates for the new FASTLANE Grant program.

Executive Director Probart wrote FASTLANE/TIGER Grant letters of support for the City of Seattle (Lander Street), City of Tukwila (Strander Boulevard), City of Spokane Valley (Barker Road/BNSF Grade Separation), and Port of Longview (Multi-cargo Modernization Project).

Legislative

Governor Inslee signed HB 2598. This bill allows FMSIB to remove projects off of the active list if the Board determines they are not progressing.

State Audit

The State Audit is now complete, and there were no material findings. The State Auditor will be requiring each agency to conduct a Risk Assessment each year. The intent of the Risk Assessment is to make sure protocols are in place to prevent fraudulent actions. Because FMSIB's Operating and Capital Budget funds are also reviewed by WSDOT, this should be a straight forward process.

Marine Cargo Forecast

The Marine Cargo Forecast is under contract. BST and Mainline Management are the consultants that will be performing the work.

FMSIB BUDGET:

Capital Budget: The Capital Budget is anticipated to have increased billings within the next two months. The City of SeaTac and City of Des Moines are now underway and it is anticipated to be reflected in the July Director's Report.

Operating Budget: FMSIB is within projected expenditures after eight months of biennial expenses. FMSIB will be having an unanticipated expense of \$2500 over the biennium due to DES Risk Assessment process.

FUTURE MEETINGS:

Chair Gatchet entered a motion to have the next Board/Workshop meeting on July 14-15, 2016, in Suquamish, WA. Mr. Trulove so moved and Mr. Creighton seconded the motion.

MOTION CARRIED

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

MEETING ADJOURNED



Dan Gatchet
Chair



Attest: Ashley Probart
Executive Director