

FREIGHT MOBILITY STRATE INVESTMENT BOARD
MEETING MINUTES

July 15, 2016
Suquamish, WA

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

WELCOME: Chair Gatchet opened the meeting with introductions.

MINUTES: Chair Gatchet entered a motion to adopt the May 20, 2016, minutes. Mr. Trulove so moved and Mr. Karnofski seconded the motion.

MOTION CARRIED

CITY OF SEATTLE DEPARTMENT OF TRANSPORTATION

The City of Seattle Department of Transportation's Jude Willcher and Chris Eaves gave an update on the Lander Street Project. During the FMSIB 2016 Call for Projects, the Lander Street project was awarded \$8 million. FMSIB sent a letter of support for the FASTLANE grant application which helped secure a \$45 million grant. The City of Seattle expressed their appreciation to FMSIB and WSDOT in supporting this project. The funding gap is now approximately \$40 million and the city is still finalizing agreements with other partners that will reduce the funding gap. Construction will start in 2018.

DIRECTOR'S REPORT

Projects-Highlights/Updates

- City of Tacoma, Port of Tacoma Road:

The City of Tacoma has completed the FMSIB portion of this project.

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

The project had a ribbon cutting in early June and is now underway. Commissioner Creighton was one of the guest speakers.

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

Everett has gone to bid, but has not amended their current state project to include FMSIB funding authorization. Executive Director Probart is working with the city to amend the contract.

- City of Seattle, Duwamish Truck Mobility Improvement Project:

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

2016 Call for Projects

- Grant award recipients have received their award letter which included FMSIB's policy of a maximum award amount and proportional sharing in cost savings. The letter also referenced the state law that FMSIB has authority to remove a project if the Board determines insufficient progress is being made.
- All project applicants that did not receive project funding were contacted. Eight of nine responded and were debriefed on their project application.
- The Town of Rockford did not meet FMSIB criteria; however, the city has received grant funding for their project from another state agency.

Congressional

- Executive Director Probart has been in contact with Senator Cantwell's office regarding potential FAST Act candidates for the new FASTLANE grant program.
- FASTLANE/TIGER Grants: Executive Director Probart wrote a letter of support for the City of Longview's SR 432 project.

FAST Act-Federal Formula Funding

The FAST Act Advisory Group conducted its first meeting on June 29, 2016. The advisory group consists of elected officials, Secretary Millar, the Washington State Transit Association, the Washington Public Ports Association, and FMSIB. The first part of the meeting provided a wealth of information on all federal funding programs. The second half of the meeting focused on which formula programs require the most discussion and should be the focus of the advisory group. Initially, the freight formula funding (\$107 million over five years) was identified as one of three formula programs that were up for distribution discussion. However, there was quick consensus that the existing state budget proviso that has already established a process for freight formula funding is the better forum for funding recommendations rather than the FAST Act Advisory Group.

Marine Cargo Forecast

The Marine Cargo Forecast consultants are performing data analysis and Executive Director Probart is anticipating a first preview of information at the end of July.

Travel, Presentations and Meetings

Executive Director Probart attended the quarterly MPO/RTPO meeting in Spokane. Ron Pate (WSDOT) and Executive Director Probart provided an update on the FAST Act and they made a joint request for a "call for projects."

Executive Director Probart also attended the Tri-State Transportation Commission meeting in Portland. There was a joint panel on how Washington, Oregon, and California are addressing the freight provisions in the FAST Act. Amy Scarton (WSDOT) and Executive Director co-presented.

Executive Director Probart made a presentation before the Puget Sound Regional Council FAST Group on FMSIB's call for projects.

Executive Director Probart attended the SR 167 technical team meeting. The meeting focused on identifying five different options for the corridor.

FMSIB BUDGET

Capital Budget: The Capital Budget remains within expectations.

Operating Budget: FMSIB is within projected expenditures after 11 months of biennial expenses.

COLA: The Governor and Legislature approved a 1.8% cost of living adjustment for state employees, effective July 1, 2016. The money is appropriated, but the Board needs to approve it in order for the employees to receive it.

Chair Gatchet entered a motion to approve the 1.8% COLA increase for Ashley Probart, Donna Veley, Marsha Gehring, and Gena Saelid. Mr. Kalhagen so moved and Mr. Trulove seconded the motion.

MOTION CARRIED

FMSIB WEBPAGE UPDATE

Executive Director Probart gave an overview of FMSIB's updated webpage and the new project information now available on the webpage. Mr. Ziegler suggested the webpage include project removal information once FMSIB's establishes the new procedure. Executive Director Probart will do further updates to the Board at least annually or as the website evolves.

BOARD MEMBER REPORTS

Although FMSIB had to deny the Town of Rockford's project request because it did not meet our state tonnage criteria, Mr. Trulove discussed how Executive Director Probart was able to work with TIB and Spokane County to obtain other funding for the project. Construction will be under way in a few weeks at a third of the originally proposed construction estimate.

Mr. Karnofski gave an update on various Cowlitz County projects. Project 432/433 did not receive FAST grant funds. The Methanol plant continues to move forward, and the final EIS should be done next month. The Millennium bulk coal project received 267 thousand public comments but is still expected to have the final EIS completed next fall. Almost all of the comments were from outside of Cowlitz County. The Cowlitz Indian Tribe is building a \$500 million casino at Exit 16. Weyerhaeuser sold the last pulp paper facility in Longview.

Mr. Hulcey attended a Federal Highway and Freight Rail meeting that was very informative on FASTLANE grants, truck safety, and the lack of truck parking. Ms. Call, Mr. Creighton, Mr. Hellman, and Secretary Millar were also in attendance. Mr. Hulcey attended the ribbon cutting ceremony for the FedEx 400 thousand square foot warehouse in Fife. Port of Tacoma Road did not

receive a FASTLANE grant, but they have a TIGER grant application in and are waiting for USDOT to announce the awards.

Ms. Call discussed the issue of truck parking, particularly in the City of North Bend and the closure of the I-5 southbound weigh station in Federal Way. Many trucks are parking at the weigh station even though it is no longer being serviced. This is a regional issue as well.

Mr. Ziegler gave an update on the Pierce County Canyon Road project that had been previously moved to the FMSIB Deferred List. This project includes two major freight bottlenecks that are also the two largest in south sound. PRSC has awarded \$8 million in grant money for this project, but there is still concern about farmland impacts. This project will likely reapply for FMSIB monies during the next call for projects and should be very competitive.

Mr. Hellman provided an overview on the recent UP train accident in Mosier, Oregon. The incident appears to be related to a rail tie fastener problem. (BNSF uses concrete ties and an elastic type fastener to help eliminate this risk.) Mr. Hellman distributed a handout on BNSF train inspections to illustrate the multiple safety protocols in place for Class I railroads. He also suggested that there should be more education on how high tech and modern the freight industry is.

WASHINGTON STATE FREIGHT PLAN UPDATES & 2016 CALL FOR PROJECTS

Executive Director Probart presented a PowerPoint on the upcoming Washington State Freight Plan update. As part of the FAST Act, each state is encouraged to consult with its respective State Freight Advisory Committee. In our case, FMSIB and WSDOT have an interagency agreement for FMSIB to staff the Washington State Freight Advisory Committee (WAFAC). WAFAC had been inactive since the completion of the 2014 State Freight Mobility Plan. However, both the FAST Act and a supplemental state budget proviso has resulted in the need to reboot the committee. The WAFAC has been asked to approve proposed urban and rural freight connectors to the National Highway Freight Network. At the state level, the budget proviso requires WSDOT to update the State Freight Mobility Plan and requires a list of prioritized projects for consideration for funding in the 2017-19 biennium. The proviso also requires freight stakeholders to provide input to the state freight plan, and the prioritized list must have approval from all impacted stakeholders (WAFAC). Updates will be provided at the September and November board meetings.

TRANSPORTATION BUDGET OVERVIEW

Mr. Hansen gave an overview of the 2015 Connecting Washington Revenue Package and expenditure proposal. As part of the overview, Mr. Hansen also compared the 2015 forecasted revenue when the package was enacted to the most recent forecast. Fortunately, the revenue forecast is slightly up. The presentation identified that although it is widely accepted that the 2015, 15 percent increase on truck weight fees goes to FMSIB, this is technically incorrect. The weight fee increase is identified as part of the Freight Project Fee and about 60 percent goes to the Motor Vehicle Fund and about 40 percent is distributed to the State Patrol Highway Account, the Puget Sound Ferry Operations Account, the Transportation (2003) account, and the Transportation Partnership Account. The enacted 2015 Connecting Washington Revenue package does propose a \$17 million biennial increase to FMSIB through Year 2031. To date, this is in the form of an administrative transfer of funds; it is not a

codified or permanent transfer. Although discussed, the Board deferred any action to support codification of the \$17 million administrative transfer.

LEGISLATIVE UPDATE

Mr. Trulove gave an overview of the 2016 Session. Mr. Trulove stated that it is critical for FMSIB to continue our Day on the Hill for the 2017 Legislative Session. Although FMSIB's request for codification was denied during the 2016 Session, the Board will continue to work with WTA and consider pursuing codification again for the 2017 Session. The Board agreed to have a smaller group discussion with WTA on weight fee codification and did not take any action on this issue.

FMSIB PROJECT REMOVAL

Mr. Ziegler gave an overview of the 2016 Legislative decision to grant FMSIB the authority to remove projects under the 6-year statutory limits. The Board needs to develop procedures for removing projects that fall under the criteria. Project sponsors will be informed of the process for removal and reapplying. Executive Director Probart will begin contacting project sponsors on the deferred list for a project update to determine which of the three state criteria apply for project removal. He will report to the Board in September, and Board action will be required at that time. Mr. Hansen asked if it was necessary to obtain direction from the Attorney General's Office on the appeal process. Executive Director Probart stated that the Board has the flexibility to extend a project deadline, if needed. Executive Director Probart will also begin to develop procedures for formal removal of these projects.

Mr. Karnofski so moved for Executive Director Probart to contact each deferred project and to develop procedures for formal removal. Mr. Kalhagen seconded the motion.

MOTION CARRIED

2017 MEETING LOCATIONS

January 19 Day on the Hill ~ Olympia
January 20 ~ Olympia
March 17 ~ Fife
June 1-2 ~ Suquamish
September 15 ~ Tri-Cities
November 17 ~ Kalama

Chair Gatchet entered a motion to accept the above meeting location and dates for 2017. Mr. Karnofski so moved and Ms. Call seconded the motion.

MOTION CARRIED

PORT OF TACOMA MOVED TO COMPLETED LIST

The Port of Tacoma Road Project is ready to be moved to the completed list. FMSIB's financial contribution has been completed.

Chair Gatchet entered a motion to move the Port of Tacoma Project to the completed list. Mr. Hulcey so moved and Mr. Trulove seconded the motion.

WORKSHOP DISCUSSION SUMMARY

Expanding FMSIB's Project Application

There was discussion about FMSIB's applicant driven process be expanded to include strategic corridor consideration as well. Executive Director Probart will report back to the Board with a proposal of how to work with MPO's and WSDOT to determine what those corridors would be. The Road/Rail Study Joint Transportation Committee is sponsoring a study that is supposed to help determine strategic corridors with high volume road and high volume rail; however, the draft is not due until December. Corridor development will not be complete until December. Executive Director Probart will provide a preview of the Road/Rail Study and the Marine Cargo Forecast Study at the September Board meeting.

Federal FAST Act funding and Formula Funding

The Board discussed how to, as a state, support several key projects and bring in federal money and what are some opportunities to leverage it. Board members suggested that Executive Director Probart work with WSDOT Freight Office to develop some examples of how this might work.

Congressional Meetings

The Board also discussed the importance for FMSIB to meet with congressional delegates in Washington, D.C., in 2017.

FUTURE MEETINGS:

Chair Gatchet entered a motion to have the next Board meeting on September 16, 2016, in Spokane, WA. Mr. Trulove so moved and Mr. Karnofski 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