

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

March 20, 2020 • 10:00 a.m. – 1:00 p.m. • Olympia, WA
(Conducted via GoToMeeting)

In Attendance

BOARD MEMBERS

Dan Gatchet, Chair

Leonard Barnes

Matt Ewers

Erik Hansen

Johan Hellman

Roger Millar

Temple Lentz

John McCarthy

Roger Millar

Art Swannack

Bob Watters

Ben Wick

Ex officio Aaron Hunt

Not Present:

Pat Hulcey

FMSIB STAFF

Brian Ziegler, Director

Gena Workman, Executive Assistant

GUEST PRESENTERS

Lorelei Williams, City of Seattle

Megan Hoyt, City of Seattle

Meeting Convenes

Chair Dan Gatchet convened the webinar meeting at 10 a.m. Ms. Workman took roll call. Quorum achieved.

Approval of Minutes

Board Action Item: Adoption of January 24, 2020, Board Meeting Minutes

MOTION:

Chair Gatchet entertained a motion to adopt the January 24, 2020, meeting minutes as presented.

Mr. Barnes so moved to adopt the minutes as presented. Mr. Swannack seconded. Chair Gatchet asked if any Board members on the conference call opposed or wished to abstain on the motion. None noted.

MOTION CARRIED

FMSIB Budgets

Operating Budget: As of February 29, FMSIB's dollar variance is approximately \$20,000 to the positive and continues to be on track for expending below appropriations through the end of the biennium.

Capital Budget: Director Ziegler reviewed the capital budget chart and noted that project sponsors submit quarterly reports to FMSIB. This chart reflects project sponsor data through the end of January. Approximately \$12 million of FMSIB appropriation has been expended. As of last week, the

Legislature reduced FMSIB's appropriations from \$51 million to approximately \$36 million. This should not delay any projects other than the few projects the Legislature selected to delay to future biennia. FMSIB is currently tracking well for project delivery this biennium since many of the projects are in the construction phase.

Board Discussion

Mr. McCarthy asked for clarification on status of the three projects indicated as "High Likelihood" to expend this biennium but not under agreement, yet. Director Ziegler explained that one of the projects, Port of Kalama, was moved to the next biennium by the Legislature. The other two are either fully or mostly funded and anticipate going to ad soon. Mr. McCarthy also asked about those projects that are open to traffic but reimbursement has not been completed. Director Zeigler stated that even though the physical project completed, in the best of cases it can be 3 to 6 months for all the paperwork to be completed. It can even take up to several years. FMSIB relies heavily on WSDOT Local Programs to inspect completed projects and to monitor the sponsors for completing their paperwork.

Director Ziegler noted that the changes on the Active Projects chart do not reflect the changes in the Supplemental Transportation Budget. He will provide an update at the next Board meeting.

Mr. Ewers asked about the status of Spokane County Bigelow Gulch Phase 3. Director Ziegler explained that there are many phases to this project. FMSIB awarded money to Phase 3 in 2018. The county is struggling to get it fully funded, so it will likely be moved into the next biennium.

Director's Report

Please see the Board meeting packet for the complete report on Director Ziegler's activities since the January 24, 2020, Board meeting. Director Ziegler highlighted the following:

Project Status Updates

At the September 2019 Board meeting, FMSIB awarded the City of Pasco's Lewis Street Underpass \$4.4 million subject to Legislature approval of FMSIB's amended LEAP list. The Legislature did fund the project in the Supplemental Transportation Budget but moved it to WSDOT's Program Z.

Mr. Swannack asked for clarification as to where the \$4.4 million FMSIB planned to award to the Pasco project went. Director Ziegler said that due to I-976, the Legislature focused on reducing Multimodal Fund expenditures so the funding shift was part of the Legislature's overall reduction plan.

Active Projects Being Considered for Deferral

During 2020, the Board plans to review the status of following two projects:

1. Project #100, City of Seattle, E. Marginal Way Heavy Haul Corridor Improvements (sponsor update provided at today's meeting)
2. Project #101, City of Sumner, Stewart Road

FMSIB Legislative Committee Meeting

The committee convened on January 31 to discuss possible legislative strategy for ensuring that state freight mobility needs are identified in time for 2021 transportation revenues. The committee decided not to pursue any options discussed.

Board Member Reports

Mr. McCarthy: Due to COVID-19, Northwest Seaport Alliance has seen a reduction of about 12 percent in container volume for the first two months compared to last year, and March is expected to be worse. On a positive note, China is beginning to resume operations.

Mr. Watters: In response to Chair Gatchet's question about Terminal 18 status, Mr. Watters stated it is doing pretty well without having to go to "casuals." They are trying to monitor how much volume is going in and out of the terminal and are hoping things will pick up in April.

Secretary Millar: WSDOT's primary responsibility is to keep the state's transportation system operational during the COVID-19 pandemic. Continuity of operations is a priority: maintaining staffing for bridges, tunnels, incident response teams, and maintenance crews. Public lobbies are now closed, and most work is being done online. Rest areas have remained open. There has been about a 40 to 80 percent reduction in transportation volumes around the state. He is encouraging people to use the state's website for accurate COVID-19 information. Mr. Ron Pate is available for any freight related questions/concerns about how WSDOT is responding.

Legislative Session Overview

Director Ziegler reviewed the following two charts:

1. Legislative Update for March Board Meeting

Provides a summary of all freight mobility related bills and their outcome for the 2020 Legislative Session. Secretary Millar noted that although WSDOT supported HB 2688/SB 6398 (Expanding transportation policy goals), there is some work to do on the language of the bill. Director Ziegler stated that HB 1110 (Reducing greenhouse gas emissions associated with transportation fuels-Carbon tax) will likely be part of Senator Hobbs next transportation funding packet.

2. FMSIB 2020 Supplemental Budget

Operating Budget received a standard 5 percent efficiency reduction. The reduction will not significantly impact FMSIB daily business.

Capital Budget received a \$15 million reduction (mostly due to I-976) and now has \$36 million expenditure authority. The intent of the Legislature is not to delay any projects. The Conference Committee Report also included the following:

- *LEAP List Retained* - Both House (HTC) and Senate (STC) Transportation Committees retained FMSIB's LEAP list requirement. The HTC approach selected the projects and amounts while the STC approach allows FMSIB to manage.
- *Call for Projects Prohibited* - The Conference Committee and HTC retained prohibition. STC's proposal removed call for projects prohibition.
- *Future Award Money* - The Conference Committee and STC included future award money. HTC proposal eliminated future award money.
- *New FMSIB Proviso* -

"It is the intent of the legislature to continue to make strategic investments in a statewide freight mobility transportation system with the help of the freight mobility strategic investment board, including projects that mitigate the impact of freight movement on local communities."

- *Updated WSDOT/WAFAC Proviso -*
Secretary Millar shared that he and Chair Gatchet agreed to postpone the discussion on WAFAC to a future Board meeting. Chair Gatchet acknowledged that was correct. Secretary Millar provided a brief summary stating that the proviso added in the budget last year would have upended a long-standing process led by the Governor's Office for allocating federal-aid highway dollars. He stated that nobody discussed that added proviso with WSDOT in advance. He further stated that, at Representative Fey's request, WSDOT provided language that would improve our state freight advisory committee. The cities, counties, and ports approached Representative Fey about amending the new language. WSDOT then worked with stakeholders to include new proviso language they could all support. Sec. Millar reminded everyone that in federal law, state freight advisory committees are encouraged but not required. He further added that if a state decides to have a freight advisory committee, FHWA recommends a variety of groups that should be at the table. The new proviso directs WSDOT to convene a group of stakeholders to make recommendations regarding the state freight advisory committee. WSDOT is looking forward to working with the stakeholders.

Board Discussion

Mr. Swannack asked if the LEAP list allows FMSIB the authority to request funding for any projects already reviewed by FMSIB or to add more money to an existing project. Director Ziegler confirmed FMSIB could make those LEAP list requests; however, the Governor's Office will need to be consulted to establish a process for doing so. Director Ziegler understood Mr. Hansen's comment (poor audio) to be that the Legislature authorizes projects on the LEAP list by amount. Chair Gatchet noted that Director Ziegler would look further into the process since the LEAP list language is different between the HTC and STC. Mr. Barnes commented on the importance of utilizing any project funds that are available, as well as getting FMSIB projects moving forward and completed.

Staff Action Item: Director Ziegler will work with the Governor's Office to determine process for requesting changes to the LEAP list.

Project Selection Committee-FMSIB Budget Proviso Next Steps

At the Board's request, the FMSIB Project Selection Committee met in February to begin to develop a plan for implementing the options for reducing reappropriation included in the Board's 2019 report to the Legislature. For a draft summary of the Committee's meeting, please see "Project Selection Committee Review of Reappropriation Options" in the Board meeting packet. Mr. Ewers stressed that this is preliminary review and that the committee was trying to narrow down the options to bring before the Board; he strongly advised this topic be included on the May meeting agenda.

MOTION: None presented.

E. Marginal Way Heavy Haul Corridor - Project Update

FMSIB awarded \$6.1 million to the City of Seattle East Marginal Way Heavy Haul Corridor in 2018. Lorelei Williams and Megan Hoyt provided a PowerPoint presentation on the status of this project. This project is one of two major city freight projects (FMSIB funding partner in both) and continues to

be a city priority. Approximately 50 percent of the funding is secured, and they have applied for federal grants. The city also provided the below updates since the 2018 project awarded:

- FHWA design funds (\$4M): project now at 60% design milestone
- Proposed relocation of railroad tracks at S Hanford St (approx. \$3M in increased scope)
- Safety improvement
- Allows crossing to be upgraded to match Heavy Haul pavement
- Reconstruction of roadway to Heavy Haul standards between S Spokane St and Duwamish Ave S (approx. \$1.5M in increased scope)
- Proposed project phasing in order to meet grant requirements (TIB & FHWA)

Board Discussion

Chair Gatchet encouraged the city to include the Washington Trucking Associations and the Manufacturing and Industrial Council in the project discussions. Ms. Hoyt appreciated the suggestion and noted that most of the outreach was done years ago. The city has done more local outreach as the design work has progressed. Chair Gatchet also inquired if this project is still valid since activity has decreased on East Marginal Way and only a small section of the corridor accesses the rail ramps. The city acknowledged it is difficult to predict future volumes; however, based on daily activity at the site, it is still a very important project. Chair Gatchet inquired if the Heavy Haul Trucking fee the city collects is part of the project. Ms. Hoyt said they have already been trying to track down that information, and she believes some may be going towards truck parking. Ms. Hoyt offered to provide updated information at a future board meeting.

Board Discussion

Mr. McCarthy stated the port has plans for Terminal 46. He would like to retain this project on the active list and asked if a motion was needed. Chair Gatchet pointed out this is another example of a worthy project that will not be done quickly. Ms. Williams stated that when the money was awarded, the expectation was to spend half in 2021-23 and the other half in 2023-25. Director Ziegler explained that a motion is not required: only if the Board wants to change direction or to advise FMSIB staff to do anything in particular. The city offered to report to the Board later this year, once they hear back about the federal grant applications.

Future Agenda Item: The City of Seattle will report to the Board in 2020, after hearing about federal grants.

MOTION: None presented.

FAST Act Reauthorization-Senator Cantwell

Senator Cantwell's DC Office requested a conference call with FMSIB to provide input on the FAST Act. Chair Gatchet, Director Ziegler, and Mr. Hansen participated in the meeting. The conference call minutes are included in the meeting packet.

WAFAC Discussion

Chair Gatchet is currently the chair of WAFAC and noted that WAFAC is center-stage again. He requested Director Ziegler prepare the documents included in the meeting packet for historical background of WAFAC in preparation for the Board to have a more robust conversation at the May workshop.

Mr. Pate stated that WSDOT would have some comments on the documents prior to the May workshop.

Staff Action Item: Director Ziegler to follow-up with Mr. Pate on WAFAC documents.

Future Agenda Item: The future of WAFAC included in May workshop agenda.

Review May FMSIB Workshop Topics

Director Zeigler reviewed past workshop topics and asked for input from the Board on workshop topics. Based on Board input, the final workshop topic list is as follows:

- Budget development for 2021
- Legislative proviso implementation (WAFAC)
- Include action items in workshop
- History of FMSIB, not the “All Freight in Washington” presentation
- History of WAFAC
- Trucking, Rail, Port, AWC, and WSAC Priorities
- Status of WAFAC and FAST Act Reauthorization
- Role of Transportation Boards in Washington

FMSIB/CRAB/TIB Comparison

This agenda item is in response to Mr. McCarthy’s request. Chair Gatchet asked that this agenda item be postponed until the workshop. Mr. McCarthy stated the chart included in the Board packet answered all of his questions.

Future Agenda Item: Consider adding to workshop agenda.

Annual Report Distribution

Under RCW 47.06A.020(1)(c), the board is required to provide a periodic progress report.

Ms. Workman gave a brief recap of the 2019 Annual Report distribution for both electronic and printed copies. Mr. Ewers questioned why we do a printed copy. Director Ziegler suggested we have that conversation before the 2020 report.

Future Agenda Item: Board to discuss distribution for next annual report at future meeting.

Next Meeting

The next Board meeting and workshop was scheduled for May 27-28 at Skamania Lodge; however, due to COVID-19 outbreak, the lodge is closed until May 31. A new workshop/board meeting date and location will need to be scheduled.

MOTION: Mr. Swannack moved to authorize the Chair to work with FMSIB staff to explore alternatives to the May workshop and schedule a new venue and date as acceptable. Mr. Barnes seconded. Chair Gatchet asked for any opposition. None noted.

MOTION CARRIED

Meeting Adjourned

Chair Gatchet adjourned the meeting at 12:40 p.m.



Dan Gatchet
Chair



Attest: Brian Ziegler
Director