FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

March 17, 2017

Fife, WA

Board members present: Mr. Dan Gatchet, Chair; Mr. Erik Hansen; Mr. Matt Ewers;

Mr. Johan Hellman; Mr. Pat Hulcey; Mr. Aaron Hunt; Mr. Roger Millar: Mr. Tom Trulove; Mr. Art Swannack, and Mr. Bob Watters.

WELCOME

Chair Dan Gatchet opened the meeting with introductions.

MINUTES

Chair Dan Gatchet entered a motion to adopt the January 20, 2017 minutes. Mr. Johan Hellman so moved to approve the minutes. Mr. Watters seconded the motion.

*MOTION CARRIED*

FEDEX DISTRIBUTION CENTER TOUR

The Board members attended a tour of the new FedEx Distribution center.

EXECUTIVE SESSION

Board discussion on FMSIB staff changes.

PRESENTATIONS

Executive Director Ashley Probart provided context for the presentations. The goal is to have WSDOT provide an overview of the Puget Sound Gateway Program followed by presentations on FMSIB projects that have a direct or indirect nexus with the Gateway.

*Craig Stone, WSDOT*, briefed the Board on the process of implementing of the Puget Sound Gateway Program (SR 509 and SR 167). Completion of this project will provide more direct freight links from the state’s largest ports to the distribution centers in the region and to Eastern Washington. It will also provide direct access to Seattle – Tacoma-International Airport from the south for both passenger and air cargo.

Recently, WSDOT applied for a US Department of Transportation FASTLANE grant for the Puget Sound Gateway Program.

*Russ Blount, City of Fife Public Works Director,* gave an update on Port of Tacoma Road Truck Off Ramp, Port of Tacoma Road Phase II, 54th Ave East, and 70th Ave E Grade Separation project and reviewed other FMSIB projects that have been completed. All are directly part of the Puget Sound Gateway.

*Mark D’Andrea, City of Tacoma,* gave an update on Taylor Way Project and the Port of Tacoma Road Rehabilitation Project. Both local arterials are part of the Puget Sound Gateway network.

*Sue O’Neill, City of Tacoma,* gave an overview and history of the Puyallup River Bridge Project. The city is pursuing a Design-Build contract to deliver the project. This is the first FMSIB project to use this contracting method.

*Letticia Neal, Pierce County,* gave an overview of the Canyon Road Project, including the completed components and the remaining segments and its progression. Phase one of Canyon Road is currently on FMSIB’s “deferred” list.

*Sean Eagan, Port of Tacoma,* gave an overview of the Northwest Seaport Alliance and the need for infrastructure investments to modernize the ports to handle big vessels. Through a new app called DrayQ, the Ports are now able to obtain real time data and planning for cargo flow. Secretary Millar recommended establishing a link to the app through WSDOT’s website that many truckers use.

EXECUTIVE DIRECTOR’S REPORT & BUDGET

Executive Director Probart reported that both the operating budget and capital budget remain on target with few future changes to anticipate in the operating budget. Donna Veley and Marsha Gehring will be retiring on May 1 and will each receive 6 weeks of well-earned vacation pay. Because the Executive Director position has not been paid as of March 1, it is anticipated this salary savings will offset most of Donna and Marsha’s vacation cash-out.

CITY OF KENT, SOUTH 228TH STREET GRADE SEPARATION PROJECT

Executive Director Probart provided the following information on this project and requested Board Action for approval to increase the City of Kent Union Pacific allocation $250,000 (from $1 million to $1.25 million):

FMSIB Funding:
Awarded in 2004. At the time of the award, the project scope included improving and extending South 228th and a grade separation over the BNSF and UP RR line. To date, over $50M has been invested in the corridor and the last project phase is the Union Pacific Railroad Grade Separation. Of FMSIB’s $8.5M original commitment, this is the budgeted amount for the 2017-19 biennium:

* $3.25 Million (FMSIB Account)
* $1.00 Million (FMSIB Account-Union Pacific funds)

Background:
In 2001, Union Pacific Railroad contributed $3.65M toward six identified projects in the Kent Valley and the Port of Seattle. This was considered to be the 5% contribution requirement for Class I Railroads when at-grade railroad crossings are converted to above or below grade crossings. In 2012, FMSIB, Union Pacific, and the City of Kent negotiated transferring the planned contribution for Willis Street and S. 212th Street to the South 228th Street Grade Separation Project. At the time, project estimates identified the Union Pacific Railroad contribution estimate to be $1.1M.

Current Status:
The South 228th Street Grade Separation has been under way for approximately one year. The project is being phased separately to minimize the impact to adjacent businesses and the public. Utility work is nearing completion and construction is anticipated later this year.

The FMSIB budget allocation of Union Pacific funds is $1.0M for the 2017-2019 biennium.

The City of Kent has notified FMSIB that the updated project costs are $25M and that the 5% UPRR mitigation equivalent is $1.25M.

Mr. Hellman made the motion to increase the UP funds to $1.25 million for the City of Kent’s South 228th Street Grade Separation. Mr. Watters seconded the motion.

*MOTION CARRIED*

CONFIDENTIAL SECRETARY POSITION STATUS

Mr. Trulove made a motion to increase confidential secretary roles to include website management, operating budget, and process backup for the Executive Director. Mr. Hulcey seconded the motion. Executive Director Probart clarified a motion for salary increase is not required by the Board and can be determined by the Executive Director.

*MOTION CARRIED*

ON-CALL ADMINISTRATIVE POSITION

Mr. Trulove made a motion to retain Donna Veley and Marsha Gehring in a non-benefit eligible on-call position to provide administrative backup for Confidential Secretary vacation/sick leave. Mr. Hulcey seconded the motion.

*MOTION CARRIED*

LEGISLATIVE UPDATE

Mr. Hansen gave the following overview of the anticipated Transportation Budget:

*Governor Highlights:*

* Fund Washington Projects
	+ Traffic Relief: I-405 NB Shoulder, 1-405/SR 522 Interchange, SR 167 capacity from Puyallup to SR 18 Interchange
	+ Advance right of way acquisition for Puget Sound Gateway
	+ Ferry vessel maintenance
	+ Real ID
	+ WSP recruitment.

*Funding Sources for FMSIB’s Budget:*

FMSIB Receives $29M Per Biennium

* $12M per biennium dedicated to freight and is codified
	+ $6M Freight Mobility Investment Account
	+ $6M Freight Mobility Multimodal Account

Uncodified

* $17M per biennium from Connecting Washington
	+ $8.5M Freight Mobility Investment Account
	+ $8.5M Freight Mobility Multimodal Account

*FMSIB Legislative Interests:*

Policy ~ No FMSIB Requested Legislation

Budget

* FMSIB: Fund at Agency Request level of $29M. (Included in Governor’s budget)
* Federal Freight Formula Funding
	+ A 2016 Budget Proviso in WSDOT’s budget required freight stakeholders to convene an update of the State Freight Plan and to provide a project list to OFM and Legislature.
	+ Washington State Freight Advisory Committee, staffed by WSDOT and FMSIB, convened during summer and fall of 2016.
	+ WSDOT, per the budget proviso, submitted a list to OFM, Legislature.
	+ Although $38M is estimated for the next two federal funding cycles, all projects were included in the submittal, but were sorted using several screens.
	+ Screening criteria:
		- Must meet federal eligibility criteria
		- Construction readiness, and by mode (port/multimodal-related and road projects);
		- Further divided by least amount requested and funding match percentage. (Many projects requested 100% funding.)
		- The advisory committee recommended 10% for freight multimodal projects and 90% for road projects. (This is allowed under the FAST Act and recognizes how important Port projects are to the freight system).
* Road-Rail Study
	+ $250,000 dollar study-first ever statewide
	+ Identifies 300 potential high-volume road/rail conflicts and makes recommendations
	+ The Senate Transportation budget proposal did not identify the Road-Rail Study

BOARD MEMBER REPORTS

Secretary Millar informed the Board that American Association of State Highway and Transportation Officials has created a new committee on freight and Secretary Millar was asked to be chair of the committee.

Chair Dan Gatchet entered a motion to hold the June 2, 2017, FMSIB meeting in Suquamish, WA. Mr. Trulove so moved and Mr. Hulcey seconded the motion.

*MOTION CARRIED*

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

*MEETING ADJOURNED*

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Dan Gatchet Attest: Executive Director

Chair