

ANNUAL REPORT 2022 FLEXIBILITY IN A CHANGING WORLD



DEAR FRIENDS OF FREIGHT,

The last several years have challenged us at home in the state of Washington and globally. The pandemic and related supply chain issues have highlighted the reliance we have on the freight network for our lives and livelihoods. The Freight Mobility Strategic Investment Board (FMSIB) represents multi-faceted freight interests across a wide spectrum of stakeholders statewide. FMSIB applies its strategic lens at the intersection of the myriad freight interests to recommend investment of dedicated funding to keep the freight transportation system functioning for the well-being of the people of Washington State.

FMSIB's stakeholders include residents and businesses in the state who make, ship, and consume products. Stakeholders also include transportation modes like trucking, rail, aviation, and marine shipping. These modes are diverse. Within trucking, vehicles range from delivery vans to semi-trucks, electric to diesel, owned and operated by people across all socio-economic strata. Railroads include the mainline rail operators BNSF Railway and Union Pacific, short-haul railroads, and the men and women who keep the trains running; marine shippers include all of the interests involved with ocean-going and river vessels. In addition to the freight transportation modes, FMISB stakeholders include ports located on Puget Sound, on rivers, and inland, as well as state and local governments who are responsible for building and maintaining highways, roads, streets, sidewalks, and trails, and providing for their residents' safety and quality of life.

The world of freight is rapidly changing and growing more complex. It is essential that FMSIB continue to evolve to address present and emerging needs. This year's annual report includes the results of FMSIB's work taking a hard look at its role and how freight mobility investment decisions could be made even more effective, flexible, and functional.

FMSIB has a successful track-record making strategic freight investments statewide and tough decisions to address obstacles impeding project expenditures and progress. This has resulted in 78 completed and underway projects that leveraged \$353 million in state funds for a total investment of over \$2 billion. Expert volunteers and professional staff dedicate countless hours and offer technical assistance and problem-solving skills in a very lean and flexible organizational model.

As we reflect on past accomplishments and refine our approach to better meet the needs of the future, I want to thank our outgoing Chair Dan Gatchet and retiring Executive Director Brian Ziegler for their service.

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Temple Lentz Chair, Freight Mobility Strategic Investment Board

THE WASHINGTON STATE LEGISLATURE created the first freight mobility program in the country in 1998 and established the Washington State Freight Mobility Strategic Investment Board (FMSIB) to oversee the program.

FMSIB members are volunteers with expertise in freight transportation and community needs. They represent the diversity of the state's freight stakeholders including cities, counties, the state, citizens-at-large, the marine sector, ports, railroads, and trucking.

FMSIB VOLUNTEERS PROVIDE:

- Specialized knowledge about the freight system and projects
- Community and local government participation
- Problem solving to help reverse historical damage to communities
- Identification of freight system gaps and partnership alignment
- Technical assistance and ability to start-up and deliver projects
- Understanding of trade, markets, and the economy
- Freight system connectivity and elimination of bottlenecks



PLANNING FOR THE FUTURE

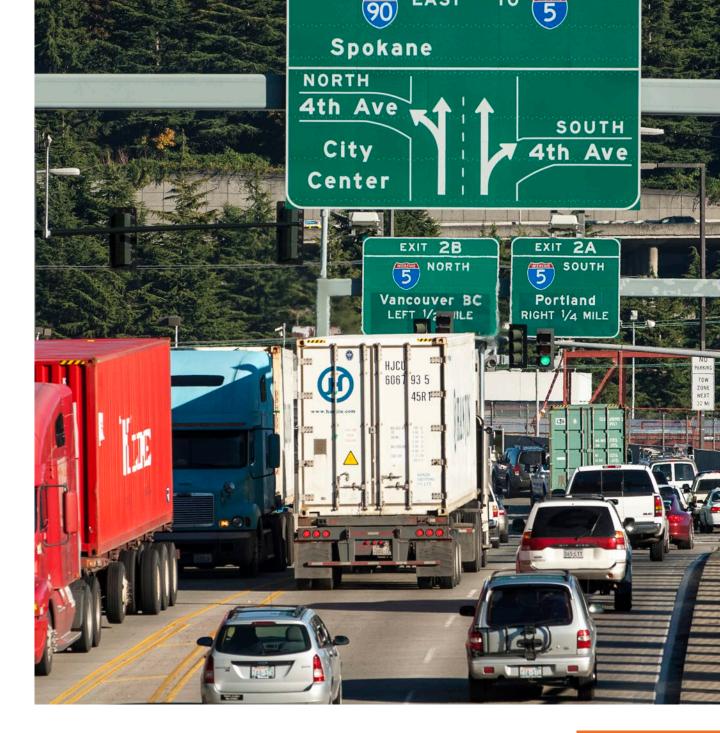
The Washington State Legislature has charged FMSIB with responsibility for specialized studies to inform the state's future freight mobility investments. Recent examples include the HEAL Act/Executive Order 22-04/Budget Proviso (2022) and direction about High Priority Freight Investments (2021).

HEAL ACT / EXECUTIVE ORDER 22-04 / BUDGET PROVISO

FMSIB projects reduce congestion and related air quality emissions, restore habitat, provide stormwater management, remediate contamination, provide sidewalks and trails, improve safety, reduce ambient noise, and encourage alternative energy sources.

These are significant benefits to communities, including historically disadvantaged communities. Due to housing affordability, many low-income people have located near industrial and transportation intensive land uses. FMSIB evaluated its portfolio of projects and found that about 57 percent of FMSIB's projects are in the very worst Environmental Health Disparity (EHD) zones (Zone 10). And almost 90 percent of FMSIB's projects are in the worst EHD Zones (7 thru 10).

During 2022, FMSIB reviewed and discussed options regarding HEAL Act goals along with planning for future high priority freight investments. That work will continue in 2023 as the Board validates priorities for freight investment recommendations.



HIGH PRIORITY FREIGHT INVESTMENTS

The 2021 Washington State Legislature directed FMSIB to identify the highest priority freight investments for the state, across freight modes, state and local jurisdictions, and regions of the state.

This directive included two parts: The Legislature required a report on the process and methodology for identifying and prioritizing investments which FMSIB submitted on December 1, 2021. (*Phase 1 Report*)

The Legislature also required FMSIB to submit a prioritized list of freight investments that are geographically balanced across the state that can proceed to construction in a timely manner. FMSIB submitted its report on freight project investments to the Legislature on December 1, 2022. (*Phase 2 Report*)

WEIGHTED INVESTMENT CATEGORIES

FMSIB consulted subject matter experts and freight stakeholders including cities, counties, ports, and industry representatives to respond to the Legislature. In its Phase 1 report, FMSIB proposed four weighted investment categories to achieve highest freight system function. FMSIB would allocate each dollar for freight as follows:



OUTREACH

During 2022, FMSIB reached out to Washington's 18 Metropolitan Planning Organizations (MPO) and Regional Transportation Planning Organizations (RTPO), as well as Washington Public Ports Association (WPPA) to identify freight project investment needs.

The majority of these MPOs and RTPOs in turn reached out to their membership to solicit investment ideas and projects. The WPPA reached out to the state's 75 port districts to encourage their members' participation. This outreach generated 168 project investment ideas. These investment ideas are available on the FMSIB <u>website</u>.



PRIORITIZATION METHODOLOGY

FMSIB developed a point scoring system to address the Legislature's direction to submit a geographically prioritized list of freight investments that can proceed to construction in a timely manner. The Board also undertook a parallel assessment of strategic statewide investments that may not be identified by regional transportation plans.

FMSIB followed these steps:

- **STEP 1** Prioritize **Statewide Priority Projects** first.
- **STEP 2** Prioritize projects that could be completed in 2023 and 2024.
- **STEP 3** Eliminate projects that indicate they are already fully funded.
- **STEP 4** Rank remaining projects using this point system for a maximum of 13 points.

FGTS truck corridors are classified into five tiers, T-1 through T-5, based on annual gross truck tonnage

- **T-1** More than 10 million tons per year
- **T-2** 4 million to 10 million tons per year
- T-3 300,000 to 4 million tons per year
- **T-4** 100,000 to 300,000 tons per year
- **T-5** At least 20,000 tons in 60 days and less than 100,000 tons per year

RANKING CATEGORY	RANKING CRITERIA	POINTS
Freight and Goods Transportation System (FGTS) Classification	T1/R1	5
	T2/R3	3
	Т3	1
	T4 or lower	0
Regional Transportation	In Plan	3
	Not In Plan	0
Funding Gap	75% or higher funded	5
	50% to 75% funded	3
	0% to 50% funded	1
MAXIMUM POSSIBLE POINTS		13

FGTS rail freight corridors are classified as R-1 through R-5, based on annual gross freight tonnage

- **R-1** More than 5 million tons per year
- R-2 1 million to 5 million tons per year
- R-3 500,000 to 1 million tons per year
- **R-4** 100,000 to 500,000 tons per year
- **R-5** Less than 100,000 tons per year

PRIORITIZATION RESULTS

FMSIB submitted two lists of ranked projects to the Legislature. One list is for 2023-2024 and one is for 2025-2028. Both lists are available on FMSIB's website. The identified funding need for 2023-2024 is \$436 million, with total project costs of \$794 million. The 2025-2028 project needs are \$3.97 billion, with total project costs of \$4.3 billion.

FMSIB also identified three statewide freight system needs not identified in regional plans that the Legislature should consider:

TRUCK PARKING

FMSIB and WSDOT discussed many of the recommendations in the 2022 JTC Action Plan, as well as truck parking projects that surfaced in FMSIB's solicitation from the regional transportation plans. The Board supports the investments described in WSDOT's October 2022 Report to the Governor.

MARINE CARGO FORECAST

This is a regular collaboration with the WPPA to identify marine cargo loads and impacts on state, local, and private infrastructure. Estimated costs are \$300,000 state / \$200,000 ports.

INLAND INTERMODAL FACILITY FEASIBILITY STUDY

This is a collaboration with WSDOT and a follow-up to their WSU Research Study on the same topic. Estimated cost is \$300,000.

NEEDED VALIDATION: ENVIRONMENTAL JUSTICE & PROJECT READINESS

FMSIB relied on investment information from the MPOs, RTPOs, and WPPA that was readily available in existing regional transportation plans. We learned that regional transportation plans and many regional planning organizations and local government sponsors have their own environmental justice criteria and/or processes that affect how regions and communities prioritize projects. Future validation of project details should include an assessment of these environmental justice efforts by project sponsors.

FMSIB is conducting additional outreach to seek additional project readiness information from our MPO/RTPO/WPPA partners, and through them, from the designated project sponsors. Following these efforts, FMSIB will submit a validated freight project funding list for Legislative consideration during the 2023 legislative session.



OBSERVATIONS AND NEXT STEPS

PRESERVATION

While preservation of pavements and bridges are among FMSIB's weighted priorities, the Board learned that preservation projects are not always identified individually in the MPO/RTPO planning process and sometimes not reflected in the regional transportation plan. In order to fund high priority freight mobility preservation projects, FMSIB recommends a programmatic approach and potentially a competitive grant program.

FGTS LIMITATIONS

Using the Freight and Goods Transportation System Classification in point scoring helps identify freight priorities based upon tonnage of weight being transferred through a corridor. However, FGTS does not account for the changing nature of freight delivery that may include high-volume, lower-tonnage local freight routes. In the future, FMSIB will develop additional criteria to address this limitation.

ADAPTING TO CHANGE

FMSIB believes the investment priorities are durable and reflect ongoing strategic needs. To ensure that this remains true, and that priorities adapt as needs may change, FMSIB proposes biennial evaluation of both individual project outcomes and the FTA system overall. Before each biennial budget request, FMSIB will review outcomes and prioritization and call on the expertise of industry and local government stakeholders to evaluate the list and recommend any updates.



The Legislature established FMSIB to provide expertise on prioritizing funding for freight mobility projects.

The Board proposes policies, projects, corridors, and funding to the Legislature to promote strategic investments in a statewide freight mobility transportation system. They also propose projects that soften the impact of freight movement on local communities (RCW 47.06A).



Between 1998 and 2022, FMSIB invested **\$353 million** of state funds and leveraged **\$2.3 billion** in asset value.



Each dollar FMSIB invests leverages **another \$6.52** in additional city, port, state, federal, and private sector funding.



To date, FMSIB and its partners have completed **70 projects** with four projects underway.

FMSIB ADAPTIVE MANAGEMENT AND FLEXIBILITY GET PROJECTS BUILT

FMSIB awards state funding to the highest priority freight projects and actively engages project sponsors to achieve timely delivery.

- FMSIB pivoted quickly in response to concerns by the City of Sumner about a potential delay to their White River Bridge Crossing project and the Board modified the grant requirements, including a FMSIB first-ever increased grant amount, to ensure timely project delivery.
- The City of Fife needed to advance engineering and property acquisition on their Port of Tacoma Road Interchange Phase 2 project and came to FMSIB for assistance. The Board **modified the grant requirements** to make preliminary engineering an eligible expense; another first for FMSIB.
- FMSIB **reactivated** its first deferred project this summer, ensuring that Spokane Valley's Pines Road Grade Crossing project could go to construction next year.
- Between 2017 and 2020, FMSIB canceled 15 projects that were no longer viable and deferred funding for another three projects that were not advancing toward construction in a timely manner.
- The Board also coordinated biennial funding appropriations with the City of Seattle to ensure the East Marginal Way Freight Corridor project could begin construction this year.





PROJECTS UNDERWAY

City of Spokane Valley, Barker Road/BNSF Grade Separation Total project cost: \$29.2M; FMSIB share: \$6.0M

City of Spokane Valley, Barker Road Corridor Widening, Spokane River to SR 290, Phase 2b Total project cost: \$9.0M; FMSIB share: \$1.68M

Spokane County, Bigelow Gulch-Forker Road Realignment, Phases 5 and 6 Total project cost: \$6.9M; FMSIB share: \$2.27M

WSDOT / City of Marysville, SR-529/I-5 Interchange Expansion Total project cost: \$54.0M; FMSIB share: \$5.0M

PROJECTS SCHEDULED 2022-2025

City of Fife, Port of Tacoma Road Interchange - Phase 2 Total project cost: \$35.36M; FMSIB share: \$7.5M

Port of Kalama, Industrial Rail Additions Total project cost: \$11.75M; FMSIB share: \$2.4M

City of Seattle, East Marginal Way Heavy Haul Corridor Improvements Total project cost: \$48.6M; FMSIB share: \$6.1M

City of Sumner, Stewart Road Corridor, White River Bridge Replacement Total project cost: \$21.5M; FMSIB share: \$3.7M

See <u>Phase 2 Proviso Report</u> for additional 2023 to 2025 recommended freight projects.

Top: City of Spokane Valley, Barker Road Corridor Widening

Bottom: Spokane County, Bigelow Gulch / Forker Road Realignment

PROJECTS SCHEDULED 2022-2025

- 1 City of Fife, Port of Tacoma Road Interchange, Phase 2
- 2 Port of Kalama, Industrial Rail Additions
- 3 City of Seattle, East Marginal Way, Heavy Haul Corridor Improvements
- **4 City of Sumner**, Stewart Rd. Corridor, White River Bridge Replacement

PROJECTS UNDERWAY 2022

- **5** City of Spokane Valley, Barker Rd./ BNSF Grade Separation
- 6 WSDOT / City of Marysville, SR 529/I-5 Interchange Expansion
- City of Spokane Valley, Barker Rd. Corridor Widening, Spokane River to SR-290 - Phase 2b
- 8 Spokane County, Bigelow Gulch/Forker Rd. Realignment, Phases 5 and 6

PROJECTS COMPLETED 1998-2022

PUGET SOUND REGION

- (9) City of Auburn, 3rd St. SW BNSF Crossing
- (1) City of Auburn, S. 277th St. Grade Separations
- 1 City of Auburn, M Street S. Grade Separation
- (2) City of Des Moines, S. 216th St. Segment 1-A
- (3) City of Everett, 1-5/41st St., Phase 1 Ramp
- (1) City of Everett, E. Marine View Dr. Widening
- (5) City of Everett, Port of Everett to I-5 Improvements
- (b) City of Everett, 41st St. Overcrossing/ Riverfront Pkwy
- Port of Everett, California St. Overcrossing to Port of Everett
- B City of Fife, Port of Tacoma Road Interchange, Phase 1
- (19) City of Fife, 70th Ave. and Valley Ave. Widening
- 20 City of Fife, 70th Ave. East Freight Bottleneck Relief
- 2 City of Fife, Pacific Hwy E./Port of Tacoma Rd. to Alexander Ave.
- 22 City of Fife, I-5/54th Avenue East Intersection Improvement, Phase 1A
- City of Kent, S. 228th St. Grade Separation, Phase 1,2 and 3
- 24 City of Puyallup, Shaw Rd.
- 25 City of Renton, SW 27th/Strander Blvd. Connection
- **26** City of SeaTac, Connecting 28th and 24th Ave. S.
- City of Seattle, Duwamish Intelligent Transportation System, Phase 1, 2, 3
- **23 City of Seattle**, S. Lander St. Grade Separation
- City of Seattle, Duwamish Truck Mobility Improvements
- 3 City of Sumner, SR 410 Traffic Ave./ E. Main
- 3 City of Tukwila, 180th St. Grade Separation
- 3 City of Woodinville, SR 202 Corridor Improvement

- (3) Port of Seattle, E. Marginal Way Truck Crossover & Argo Yard Truck Roadway
- Port of Seattle, SR 518 at Airport Drive Eastbound Lane Addition
- Bort of Seattle, E. Marginal Way Truck Crossover
- **36** King County, South Park Bridge Replacement
- Oity of Tacoma, SR 99 Puyallup River Bridge
- 33 City of Tacoma, D St. Grade Separation
- (9) Port of Tacoma, Lincoln Ave. Grade Separation
- (1) City of Tacoma, Taylor Way Rehabilitation
- 4 Pierce County, 8th St. E. Grade Separation
- Pierce County, Cross Base Hwy, Phase 1
- 43 Snohomish County, Granite Falls Alternative Rt., Phase 1
- **WSDOT**, SR 519 Intermodal Access Project
- (15) WSDOT, SR 509/Port of Tacoma Rd. Grade Separation
- **WSDOT**, SR 18 Weyerhaeuser Way to SR 167 Truck Lane

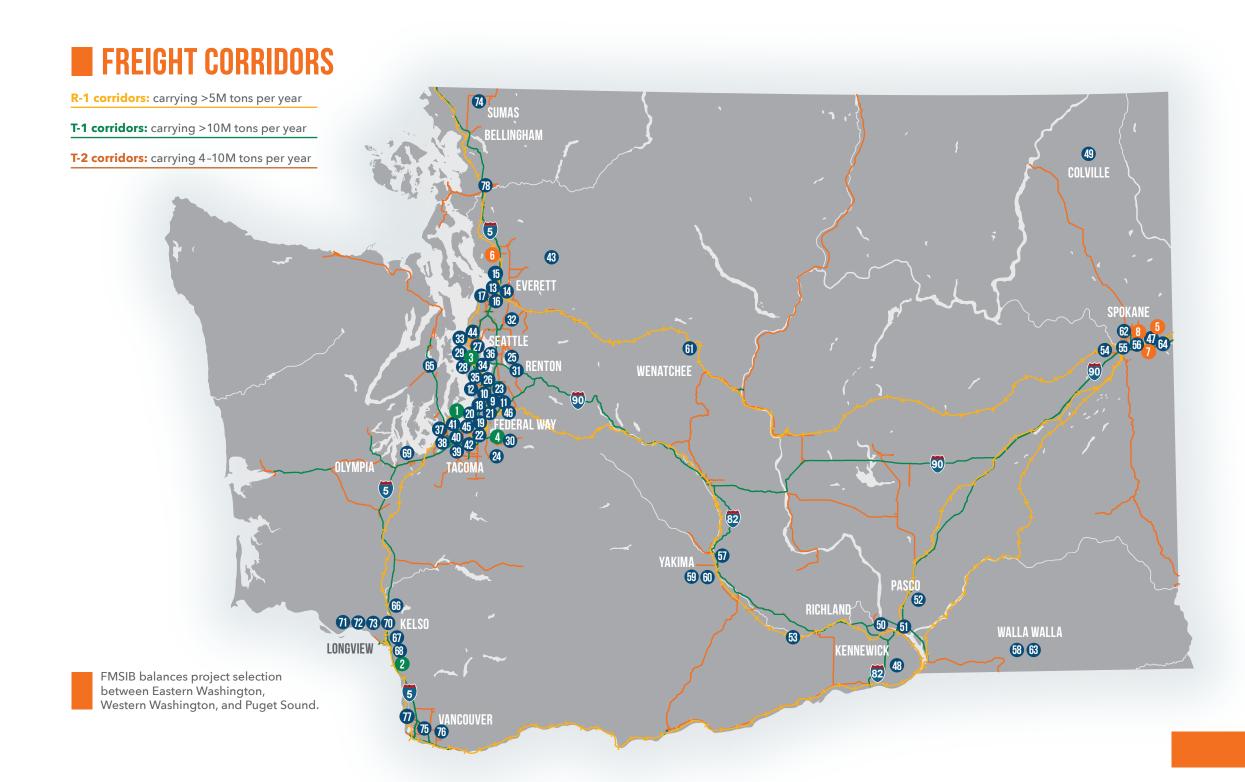
EASTERN WASHINGTON REGION

- (1) City of Spokane Valley, Barker Rd. Corridor Widening, Spokane River to SR 290, Phases 1, 2a & 3
- (48) Benton County, Piert Rd. Extension
- (19) City of Colville, Colville Alternate Truck Route
- 60 City of Kennewick, Columbia Center Boulevard Railroad Crossing
- **6** Port of Pasco, SR 397 Ainsworth Ave. Grade Crossing
- WSDOT-City of Pasco, US 395 Hillsboro St. Interchange
- **53** City of Prosser, Wine Country Rd.
- **64** City of Spokane, Havana St./BNSF Grade Separation
- **65** City of Spokane, Freya Ave. Bridge
- **60** City of Spokane Valley, Sullivan Rd. West Bridge Replacement

- 57 City of Union Gap, Valley Mall Blvd. Extension
- City of Walla Walla, Myra Road at the Dalles-Military Rd & US 12/SR 125 Interconnect
- 59 City of Yakima, River Road Improvements
- (ii) City of Yakima, Lincoln Ave. and MLK/BNSF Grade Separation
- (f) Chelan County, West Cashmere Bridge
- 62 Spokane County, Bigelow Gulch-Forker Rd. Realignment, Phase 3
- **(B) WSDOT**, US 12/124 to SR 730
- City of Spokane Valley, Barker Road Corridor Widening, Spokane River to SR-290, Phase 1, 2a and 3

WESTERN WASHINGTON REGION

- **63** City of Bremerton, SR 3/304 Transportation Improvement
- 66 City of Kelso, Allen St. Bridge Replacement
- 67 Port of Kalama, Industrial Park Bridge
- 68 Port of Kalama, Grain Terminal Track Improvements
- 69 City of Lacey, Hogum Bay Road
- City of Longview, SR 432 SR 411 Intersection Improvements
- **City of Longview**, SR 432/SR 433 Turn Lane Improvements
- City of Longview, SR 432 Improvements/3rd Ave. Off Ramp Widening
- 73 Port of Longview, Port Alternate Rail Corridor
- WSDOT-City of Sumas, SR 9 SR 546/Nooksack Rd. Vicinity to SR 547/Cherry St.
- Port of Vancouver USA, Port Rail Access, Phases 1 and 2
- **7** Port of Vancouver USA, Rail Tie-in to Mainline
- **7** Port of Vancouver USA, Bulk Facility Track Location
- Skagit County, Burlington Northern Overpass Replacement



The Governor appoints the 12-member FMSIB Board according to RCW 47.06A.030 with membership as follows: two cities, two counties, two port districts, Office of Financial Management, one steamship industry, one railroad, one trucking industry, the state secretary of transportation, and one member of the general public who serves as Chair.



Temple Lentz, Chair

President/CEO The Historic Trust; Citizen Chair

Temple Lentz began service on the FMSIB board in 2019, representing counties. She was appointed to the Chair position in 2022. She currently works in the nonprofit sector as President/CEO of The Historic Trust, an historic preservation and civic engagement organization.



Leonard Barnes, Deputy Executive Director

Port of Grays Harbor; Port Districts' Representative

As the Deputy Executive Director of the Port of Grays Harbor, Mr. Barnes oversees the Port's business development, industrial property leases, and airport and marine terminal operations. Mr. Barnes has been active in many industry and community organizations, boards, and committees during his time with the Port.



Johan Hellman, Executive Director of Public Affairs BNSF Railway Railroad Representative

Johan currently serves as Executive Director of Public Affairs for the BNSF Railway Co. and has worked with public and private entities to advance policy issues in the Pacific Northwest for over three decades.



Peter Bennett, Past President

Puget Sound Steamship Operators Association and the Columbia River Steamship Operators Association; Marine Industry Representative

Peter is retired after a 40-year career in the maritime industry starting as a deck officer in the British Merchant Marine. After coming ashore, he was employed by a public company representing a global shipping line. With positions based in Oregon, Washington, and California, Mr. Bennett eventually assumed responsibility for the company's North America West Coast vessel, rail, and truck operations.



John McCarthy, Commissioner, Port of Tacoma Port Districts' Representative

Commissioner McCarthy has served as a Port of Tacoma Commissioner for 13 years. He first served from 1983-1992, and currently since 2018. Among several community activities, John is a former Pierce County District and Superior Court judge, serving for more than 22 years.



Matt Ewers, Vice President

IEDS Logistics; Trucking Industry Representative

Matt is a principal and Senior Vice President at IEDS Logistics in Spokane, where he has been employed in the family business since 2002. IEDS Logistics is a third-party logistics company offering warehousing, transportation, and rail services with 3PL operations in Spokane and Pasco, and dedicated single-client services in Moses Lake, WA; Lewiston, ID; Las Vegas, NV; and Shelby, NC.



Anne McEnerny-Ogle, Mayor, City of Vancouver Cities' Representative

Mayor McEnerny-Ogle became the first woman to serve as Mayor of Vancouver on January 1, 2018, where she has helped to lead efforts in economic development, regional community relations, and transportation.



Erik Hansen, Transportation Senior Budget Analyst Office of Financial Management; Governor's Representative

Erik has served within the Washington Office of Financial Management for 13 years as the Transportation Senior Budget Analyst after having worked for Washington State in several other capacities.



Roger Millar; Secretary of Transportation WSDOT Representative

Roger Millar joined the Washington State Department of Transportation as Deputy Secretary in October 2015 and was appointed Secretary of Transportation in August 2016. He oversees an agency that is the steward of a complex, multimodal transportation system, and responsible for ensuring that people and goods move safely and efficiently.



Arthur Swannack, Commissioner, Whitman County Counties' Representative

Commissioner Swannack was elected to his third 4-year term as a Whitman County Commissioner in 2020. Art's lifelong background with eastern Washington agriculture and rural communities gives him excellent perspective on the importance of effective and efficient freight movement to the success of our economy.



Ben Wick, Mayor, City of Spokane Valley Cities' Representative

Mayor Wick was selected as Spokane Valley Mayor in 2020. In 2017, he had been elected to serve his second term on the Spokane Valley City Council. In addition to his public sector service, Ben is a manager at Spokane Industries.



EX OFFICIO

Aaron Hunt, Sr. Director Public Affairs Union Pacific Railroad, Ex Officio Representative

As Senior Director of Public Affairs for Union Pacific Railroad, Aaron leads government and community relations, as well as philanthropic efforts in the Pacific Northwest. Aaron's work in Corporate Relations spans more than 20 years during which he has led public affairs and communications for top Fortune 150 companies.

STAFF



Sally A. See, Executive Assistant

Sally came to FMSIB in March of 2022 after 21 years with WSDOT. She enjoys the world of transportation and has already learned a great deal from FMSIB.



IN RECOGNITION OF SERVICE

Dan Gatchet, Past President

Washington Trucking Associations; Citizen Chair

Dan Gatchet was appointed chair of FMSIB in 2012, after retiring from the trucking industry and served 11 years of dedicated service as Chair of FMSIB. During his transportation career, Dan has been actively involved in many of the industry's trade associations, as well as the past president of the Washington Trucking Associations.

"It has been an honor to serve as FMSIB's Chair for the past 11 years. With a strong board, a great director and a solid mission, FMSIB truly made a positive impact in improving freight movement in our communities."

-Dan Gatchet



Brian Ziegler, Past Executive Director

Brian has served as FMSIB's Executive Director for the last five years, and before that as a FMSIB Board member for ten years. Brian is a 40-year+ veteran of government and the public works field with extensive experience in planning, financing, design, construction, and maintenance of public works facilities.

"As a gubernatorial appointee to the Board, a local government consumer of the Board's services, and the Board's Executive Director, I have seen FMSIB from all angles. Washington State should be very proud of FMSIB's accomplishments."

-Brian Ziegler



FMSIB

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