CALIFORNIA TRANSPORTATION COMMISSION
AND THE
WASHINGTON STATE TRANSPORTATION COMMISSION

August 19, 2014
San Jose, California

Ashley Probart, Director
Freight Mobility Strategic Investment Board

Mission Statement

The Washington Freight Mobility Strategic Investment Board (FMSIB) was created by the Legislature to identify and recommend investments that improve and mitigate freight movement on strategic state corridors, grow jobs and the economy, and bolster Washington as a leader in international trade.

The Board is also charged with finding solutions that lessen the impact of the movement of freight on local communities.

The Governor appointed Board consists of 12 public- and private-sector members:

- Advocates for strategic freight transportation projects that bring economic development and a return to the state;
- Focuses on timely construction and operation of projects that support jobs;
- Leverages funding from public and private stakeholders;
- Crosses modal and jurisdictional lines to create funding partnerships; and
- Serves as the de facto freight project screening agency for state and federal policy makers.

Milestones

1996:

- Private Sector concerns – legislative tour Alameda Corridor
- Freight Mobility Advisory Committee formed – FMSIB envisioned

1998: Legislature creates freight agency

1999: Independent agency - hired staff…loss of capital funding

2000: Partners rally to replace lost FMSIB funds for current construction

2000-2004: Project specific funding by legislature

2005: Dedicated funding approved

2011: Additional funds earmarked

2013:

- Revenue package-FMSIB funds
- FMSIB selected to convene MAP 21 Freight Advisory Committee

FMSIB Members

Dan Gatchet
Dabob Bay
Public Member, Chair

Geir-Eilif Kalhagen
Longview
Ports

John Creighton
Seattle
Ports

Robin Rettew
Olympia
Governor

Michael Karnofski
Cowlitz
Counties

Sheri Call
WA Trucking Assns.
Trucking

Terry Finn
Seattle
Railroads

Brian Ziegler
Pierce County
Counties

Lynn Peterson
Olympia
WSDOT

Mark Knudsen
Bainbridge Island
Maritime

Tom Trulove
Cheney
Cities

Pat Hulcey
Fife
Cities

Brock Nelson*
Portland
***ex-officio**
(UP Railroad)

Funding Sources

- $12M per biennium dedicated to freight
  - $6M Freight Mobility Investment Account
  - $6M Freight Mobility Multimodal Account

- $2.3 M Highway Safety Funds
  - Not dedicated

Goals

- Advocate for strategic freight transportation projects that moves commerce, brings economic development and a return to the state;

- Focus on timely construction and operation of projects that support jobs;

- Leverage funding from public and private stakeholders;

Goals

- Develop solutions that cross modal and jurisdictional lines to create funding partnerships;

- Serve as the de facto freight project screening agency for state and federal policy makers.

- Advise State Freight Plan & State Transportation Plan on freight needs & trends.

Role of the Board

- Unpaid expertise
- Guides the agency's strategic plan
- Advocates for funding
- Advises of freight trends and concerns
- Acts as an unbiased broker/competitively neutral
- Projects:
  - Evaluates & scores project applications
  - Modal validation of project benefits
  - Facilitates partnership participation
  - Develops agreements and leverages funding

FMSIB Assistance

- Brokering agreements
- Developing partnerships
- Mediating conflicts
- Cash flow management w/partners
- Provide Federal funding advocacy

Partnerships

- Partnerships way of doing business but increasingly difficult to hold it all together
- Project success demands that Board and staff are into a major project integration, management, facilitation role
- “Freight network fragmentation” mandates multi-jurisdictional, multi-modal, urban/rural, public/private voice

Challenges

- Funding: $100M lost
- Partners: Lost match funding
- WSDOT: View of FMSIB
- Engaging jurisdictions where freight flows through, but is not a destination
- Government drive for consolidation
- Public – Private timelines
- Keeping archaic turf battles in check

Strengths

- High level input from Board
- Decision makers - not just advisory
- Nimble responses - freight only issue
- Independent agency – honest broker
- Modal project validation
- Stakeholder support/advocacy
- Cost surety – no increases possible

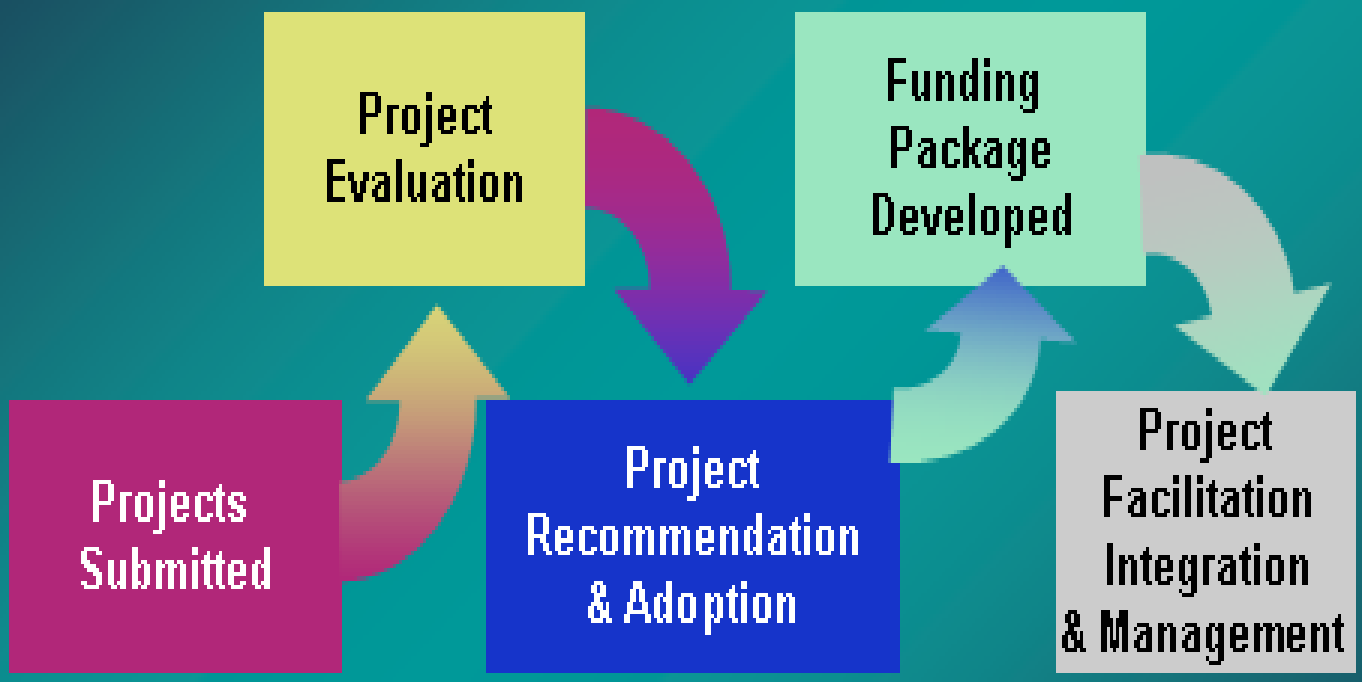
Legislative Role & Transparency

- Funding: specific & programmed projects
- Individual projects – but part of strategic freight corridors
- Quarterly progress reporting
- Projects required to enter construction within 12 months of FMSIB funding award

2010 Joint Transportation Efficiency Study

- Found FMSIB to be efficient – cost effective
- "Stakeholders found that FMSIB has successfully brought multiple partners together to create solutions"
- FMSIB's role is "very valuable, ensuring that the economic importance of freight transportation is recognized and addressed"
- Consultant found "no need or benefit to fundamental changes in the current model"

Project Selection Process



Objectives

- Direct Private participation
- Short-term Implementation
- Competitively neutral
- Multijurisdictional

- Improved Freight Flow
- Minimized Impact on Local Communities
- Corridor Development

- Leveraged Funding
- Accountability
- On time – on budget

Project Selection Process

- Independent Project Analysis – Board & technical team
- Qualitative – Quantitative evaluation
- Nationally recognized “best practice” program & process
- Six-year list of projects maintained
- Dollar value and percentage assigned
    - FMSIB cannot increase financial participation
    - If project costs go up – dollar value used
    - If project costs go down – percentage used
- One year rule to enter construction

Project Selection Process

- All Projects include multiple partners
- State funds leverage on average $5 for every $1 FMSIB dollar
- Freight volumes - 1st threshold measurement
- Must be on a state or regional plan
- Process goes beyond the numbers scored

Project Scoring Criteria

- **Freight Mobility for Project Area**
- **Freight Mobility for the Region, State & Nation**
- **General Mobility**
- **Safety**
- **Freight & Economic Value**
- **Environment - including diesel emissions**
- **Partnership**
- **Consistency with Regional & State Plans**
- **Cost benefit**
- **Special Issues**

Private Partners

- Direct financial contribution
- Right of Way donations
- Private $$ > Local Government
  - Development & Mitigation fees
  - Private sector stakeholders agreeing to self imposed LID collections

Partners

- City & County partners
  - Street funds
  - Competitive regional funds
  - Local taxes
- Ports – Investments on/off of port property
- Tribal – Gas tax & casino funds
- Federal competitive funds
  - Improving national freight corridors
  - Tiger grants

Project History

48 Projects Completed through 2013:

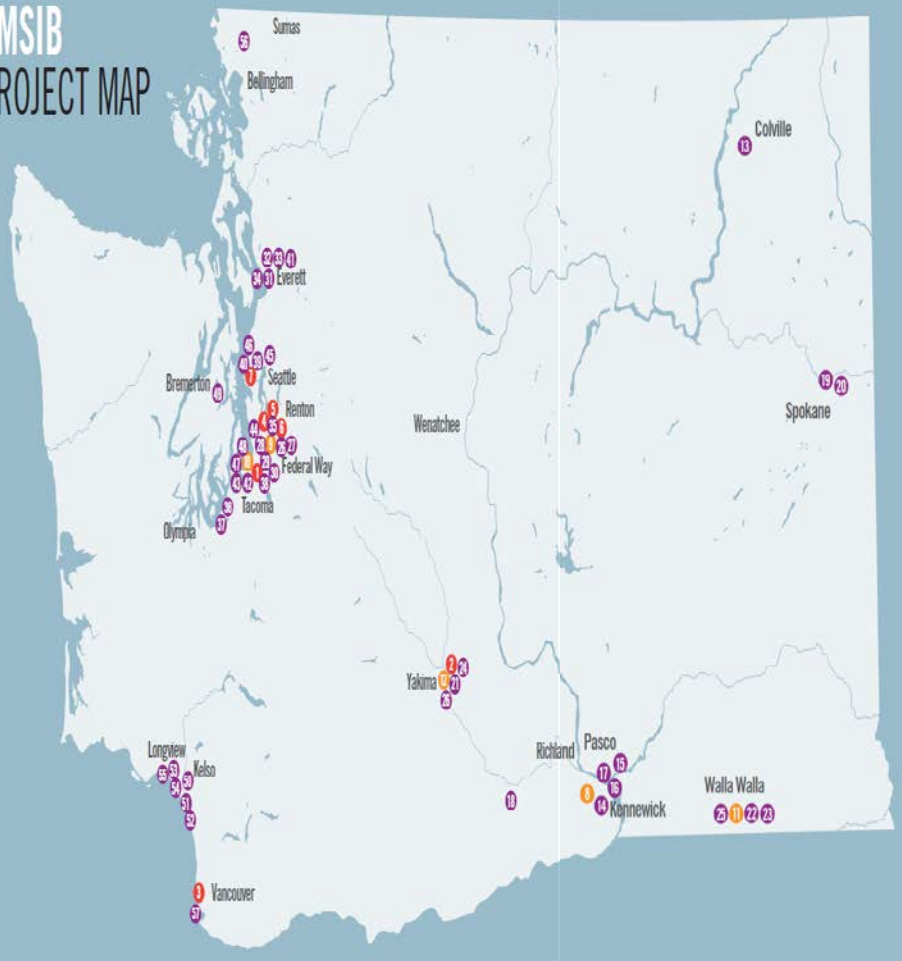
- $639 M - Project Cost
- $150 M – FMSIB

30 + Active Projects:

- $667.4 M - Project Cost
- $106.3 M – FMSIB

FMSIB Project Map

FMSIB PROJECT MAP



PROJECTS ACTIVE IN 2013

1. PORT OF TACOMA TRUCK OFF-RAMP (CITY OF FIFE)
   Total project cost: $7.5M, FMSIB share: $3M
2. CITY OF YAKIMA GRADE SEPARATED RAIL CROSSING
   Total project cost: $46.05M, FMSIB share: $7M
3. RAIL TIE-IN TO MAINLINE (PORT OF VANCOUVER USA)
   Total project cost: $38.34M, FMSIB share: $6.3M
4. STRANDER BOULEVARD AND SW 27TH STREET CONNECTION (CITY OF RENTON)
   Total project cost: $22.2M, FMSIB share: $2M
5. GREEN RIVER VALLEY BNSF AND UP INDUSTRIAL TRACK (CITY OF RENTON)
   Total project cost: $5.91M, FMSIB share: $1.25M
6. SOUTH 228TH STREET CORRIDOR PROJECT (CITY OF KENT)
   Total project cost: $25M, FMSIB share: $3.25M
7. EAST MARGINAL WAY TRUCK CROSSOVER AND ARGO YARD TRUCK ROADWAY (PORT OF SEATTLE)
   Total project cost: $15M, FMSIB share: $3.75M

PROJECTS COMPLETED IN 2013

8. PIERT ROAD EXTENSION (BENTON COUNTY)
   Total project cost: $2.9M, FMSIB share: $460,000
9. M STREET SE GRADE SEPARATION (CITY OF AUBURN)
   Total project cost: $22.4M, FMSIB share: $6M
10. 70TH AVENUE AND VALLEY AVENUE WIDENING (CITY OF FIFE)
    Total project cost: $14.9M, FMSIB share: $500,000
11. MYRA ROAD AT THE DALLES-MILITARY ROAD (CITY OF WALLA WALLA)
    Total project cost: $4.13M, FMSIB share: $500,000
12. RIVER ROAD IMPROVEMENTS (CITY OF YAKIMA)
    Total project cost: $1.42M, FMSIB share: $639,000

PROJECTS COMPLETED 1998 - 2012

EASTERN WASHINGTON REGION

13	Colville	Colville Alternate Truck Route
14	Benton Co.	Piert Road Extension
15	Kennewick	Columbia Center Boulevard Railroad Crossing
16	Port of Pasco	SR 397 Ainsworth Avenue Grade Crossing
17	WSDOT-Pasco	US 395 Hillsboro Street Interchange
18	Prosser	Wine Country Road (3 Phased Projects)
19	Spokane	Havana Street/BNSF Separation
20	Spokane	Freya Avenue Bridge
21	Union Gap	Valley Mall Boulevard Extension
22	Walla Walla	Myra Road at the Dalles-Military Road
23	Walla Walla	US 12/SR 125 Interconnect (Myra Road Extension)
24	City of Yakima	River Road Improvements
25	WSDOT	US 12/124 to SR 730

PUGET SOUND REGION

26	Auburn	3rd Street SW BNSF Crossing
27	Auburn	M Street Grade Separation
28	Auburn	South 277th Street Grade Separations (BNSF and up Crossing)
29	Fife	70th Avenue/Valley Avenue Widening
30	Fife	Pacific Hwy East/Port of Tacoma Road to Alexander Avenue
31	Everett	I-5/41st Street (Phase 1 Ramp)
32	Everett	East Marine View Drive Widening
33	Everett	41st Street Overcrossing/Riverfront Parkway (Phase 1)
34	Port of Everett	California Street Overcrossing to Port of Everett
35	Kent	South 228th Street Extension Phase I and BNSF Grade Separation
36	Pierce Co.	8th Street East BNSF Grade Separation
37	Pierce Co.	Cross Base Highway (Phase 1)
38	Puyallup	Shaw Road
39	Seattle	Duwamish Intelligent Transportation System (ITS) (Phases 1 & 2)
40	Port of Seattle	SR 518 at Airport Drive Eastbound Lane Addition
41	Snohomish Co.	Granite Falls Alternate Route (Phase 1 ROW)
42	Tacoma	D Street Grade Separation
43	Port of Tacoma	Lincoln Avenue Grade Separation
44	Tukwila	180th Street Grade Separation
45	Woodinville	SR 202 Corridor Improvement (Phase 1 Uneven Pavement)
46	WSDOT	SR 519 Intermodal Access Project (Phase 1)
47	WSDOT	SR 509/Port of Tacoma Road Grade Separation
48	WSDOT	SR 18 Weyerhaeuser Way to SR 167 Truck Lane

WESTERN WASHINGTON REGION

49	Bremerton	SR 3/304 Transportation Improvement Project
50	Kelso	Allen Street Bridge Replacement
51	Port of Kalama	Port of Kalama Industrial Park Bridge
52	Port of Kalama	Grain Terminal Track Improvements
53	Longview	SR 432/SR 433 Turn Lane Improvements
54	Longview	SR 432 Improvements/ 3rd Avenue Off Ramp Widening
55	Port of Longview	Port of Longview Alternate Rail Corridor
56	WSDOT- Sumas	SR 9 – SR 546/Nooksack Road Vicinity to SR 547/Cherry Street
57	Port of Vancouver	Port Rail Access (Phases 1 and 2))

Case Studies

FMSIB Infrastructure projects promotes private sector investments to Washington

Freight Supports the Economy

- $40 M in freight on roads every hour
- #1 Grain exports on West Coast
- $40 M in freight on roads every hour
- Ports of Seattle & Tacoma #2 West Coast Intermodal load center
- Washington State produced over $2B in apples in 2013

Port of Vancouver, USA

Port of Vancouver supports 17,000 jobs in SW WA

More than 2,300 people are directly employed by businesses at the port.

500 ocean-going vessels +river barges

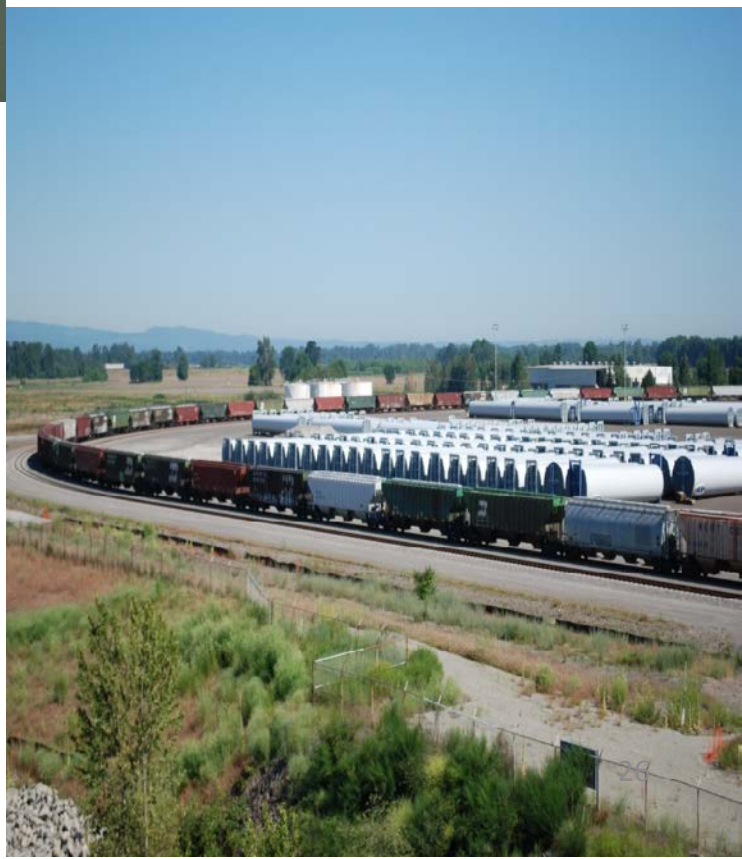
5.6 million metric tons handled annually

15% imports 85% exports

Wheat , Scrap steel, Bulk minerals, Pulp

Port of Vancouver, USA

Port of Vancouver New Access & 1.5 Mile Loop Track



$56M original single track project

$10M FMSIB share

Now $275M project – business increase

Tiger & private $$ for expansion

Port of Vancouver, USA

Business Expansion/Location:

United Grain – corn & soybeans added

- 5 M to 8.4 M bushel expansion
- Grain facility investment $80 M

Great Western Malting - expanding

- Facility investment - $30 M

Keyera Energy – new propane tenant

- Facility Investment - $4.5 M

Farwest Steel – new 300,000 sq ft plant.

- 100 jobs relocated & 125 new jobs
- Facility Investment $50 M

River Road - Yakima

- $1.42 M Road Improvement
- $ .64 M FMSIB share

- 2012 Highway Safety Funds

- Close to SR 82, US 12, US 97

River Road - Yakima

- Refrigerated truck waiting to exit with incoming fruit flatbed entering
- Narrow road, poor condition, turning radii

Project Completed Fall 2013

Washington Fruit & Produce

- 2010 New Cold Storage Facility- $30M
- 2012 phase - $5M expansion
- Additional 40 acres purchased
- 12 months a year – 7 days a week – 20 hours a day
- 800 M apples a year – 4 M per day
- 40,000 cases packed per day
- 70-85 refrigerated containers daily
- A truck is loaded every 8 minutes

Washington Fruit & Produce

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State Freight Advisory Committee

Section 1117:

"In General.--The Secretary shall **encourage each State to establish a freight advisory committee** consisting of a representative cross-section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, the transportation department of the State, and local governments…"

Washington State Freight Advisory Committee

Dan Gatchet –Chair*
Private Sector

Aerotropolis
Laurence Krauter
CEO/Airport Director
Spokane International Airport

Cities
Pat Hulcey*
Councilmember, City of Fife

Tom Trulove *(alternate)
Mayor, City of Cheney

Counties
Dave Gossett*
Councilmember, Snohomish County

Maritime
Mike Moore
Executive Director
Pacific Merchant Shipping Association

Jordan Royer (alternate)
Government Affairs Manager
Pacific Merchant Shipping Association

Trucking
Sheri Call
VP, Member Services
Washington Trucking Associations

Steve Holtgeerts* (designee)
President
Hogland Transfer Company

Workforce
Dan McKisson,
President
ILWU Puget Sound District Council

Jeff Johnson (alternate)
President
Washington State Labor Council

MPO
Charlie Howard
Director of Integrated Planning
Puget Sound Regional Council

RTPO
Mark Kushner
Transportation Director
Benton-Franklin Council of Governments

Ports
John Creighton*
Commissioner
Port of Seattle

River Commerce
Larry Paulson*
FMSIB Member

Tribal
Chad Wright
CEO
Marine View Ventures

Rail
Terry Finn*
Director, Government Affairs
BNSF Railway

WSDOT
Chief of Staff
Lynn Peterson*
Secretary

Shipper

Environmental

* FMSIB Member

MAP 21 - Role

- Washington State Freight Advisory Committee
- Standing Committee of the Board
- MPO, RTPO, Aerotropolis, Tribal, Labor
- Advises WSDOT & Transportation Commission

Freight Advisory Committee Duties

Freight Mobility Strategic Investment Board is lead state agency, including partnerships with WSDOT and Transportation Commission

- **Advise the State** on freight-related priorities, issues, projects, and funding needs;
- Serve as a forum for discussion for State transportation decisions affecting freight mobility;
- Communicate and coordinate regional priorities with other organizations;
- Promote the sharing of information between the private and public sectors on freight issues; and
- Participate in the development of the freight plan of the State described in Section 1118 of MAP-21.

Washington State Freight Advisory Committee

Washington State Freight Advisory Committee

Washington State Freight Trends & Policy Recommendations

for Air Cargo, Freight Rail, Ports & Inland Waterways, & Trucking

May 2014

Trends & Policies

Air Freight

Overview

The state's aviation system is critical for freight movement. High-value, time-sensitive goods move through Washington's airports, which play a key role in the state's service sector. Air cargo moves by truck between airports and warehouses, making an

Sea-Tac Airport 2012 Activity Report

Sea-Tac averages 10-12

Ports & Inland Waterways

Overview

Washington has 75 port districts within the state. There are 11 deep-draft ports; seven are located in the Puget Sound, three on the Columbia River and one in Grays Harbor. There are two primary economic waterways in the state, the Puget Sound

Trade with Asia

Many of the state's key trading partners are in Asia.

Rail

Overview

Washington's railways play a major role in the movement of

Trucking

Overview

There are 1.2 million truck carriers nationwide with 63,000 in the northwest and 7,000 in Washington State. Truck related jobs account for about 8% of the Washington workforce.

Trucking is a diverse industry with a variety of truck-types, ownerships, and services. Trucks carried $334 billion of the state's total freight volumes according to data released by the Federal Highway Administration.

Changes in Storage and Goods Movement

- Higher retail rents have led to smaller stores, and more inventory stored at distribution centers and warehouses.
- Regionalization of

Air Freight

Policy Recommendations (abridged):

Federal Government

1. Air freight movement by surface transportation to and from air cargo airports should be considered as part of the Transportation Plans (or equivalent) that are developed at the metro and regional levels as encouraged in MAP-21. MPOs/ RTPOs should consult with airports in their air cargo-related planning activities.

7. The NEPA or environmental clearance process should be streamlined and a common environmental clearance process should be adopted across federal agencies with overlapping jurisdiction or funding stakes in aviation projects and intermodal projects in which aviation is involved either directly or indirectly. Having to develop multiple documents for different agencies delays projects and increases costs.

Federal and State Government

1. Treat aviation capacity as a resource and preserve, protect, and enhance it through strategies focusing on airport operations, technology, safety, and land use.

State Government

1. Convene Joint Transportation Committee (JTC) briefings on Washington State Air Freight needs and how state agencies play a leading role in strategic aviation economic development centered on air freight cargo development and intermodal opportunities.

State Government with local support

1. Identify the **need for additional financial resources from the State to be allocated for strategic aviation economic development projects**, including those projects that contribute to freight mobility objectives **based on a list of projects submitted by local government, airports or through MPOs/RTPOs.**

2. Ensure that **Airport operators are brought into the membership of the MPO/RTPO as independent subject matter experts on aviation and air freight mobility**. If the form of government will not allow the Airport representative to have an independent voting membership, the Airport should **at a minimum be included on the Technical Committee of the MPO/RTPO.**

Ports & Inland Waterways

Policy Recommendations (abridged)

Federal Government

1. Work with Congress to **pass comprehensive Harbor Maintenance Tax reforms such as those included in the Maritime Goods Movement Act** to strengthen the competitiveness of American ports and drastically increase funds available for operations and maintenance dredging.

2. Work with Congress to **increase revenue to the Inland Waterways Trust Fund** so it can adequately pay for major construction and rehabilitation projects. This could be done by increasing the existing diesel tax, imposing lockage or towboat fees, or revising the cost share formula.

State Government

Stormwater Recommendations:

- Clarify compliance and cost requirements through reasonable application of an all known and reasonable technologies **(AKART) approach matched to marine terminals to allow for cost effective mitigation** while providing for continued operations of marine terminals.
- **Synchronize permit requirements with west coast states, and with west coast Canadian ports to better address competitive disadvantages**.

Ports & Inland Waterways

Policy Recommendations (abridged)

State and Local Government (including Port Districts)

1. Use the Port Element of City Comprehensive Plans (RCW 36.70A.085) to help define and protect the core area of port and port-related industrial uses from incompatible land uses within the city and to help ensure efficient access.

    a. Ensure that the Port Element is reviewed regularly (every 2-3 years) and updated as needed.

2. Encourage identification in local, regional, and state land use and transportation plans of economic corridors for the movement of people and goods.

3. Define freight or heavy haul corridors, including major interchanges, to allow targeted public sector investments in freight infrastructure (RCW 46.44.0915).

Local Government (including Port Districts) and/or Private Sector with support from State Government

1. Maintain and protect intermodal connectors and last mile connectors to improve goods movement.

Rail

Policy Recommendations (abridged)

Federal Government

1. Work with federal agencies to ensure regulations do not interfere with modal competition.

2. Work with Congress to re-authorize the Short-line Tax Credit on a minimum of a five-year cycle so that Short-line Capital programs can be properly developed and efficiently administered for these vital "first mile, last mile" freight connectors.

3. Work with Congress to expand the Section 130 program – State funding for grade crossing improvements and separations.

Federal and State Government

1. Work with legislators to pass legislation that provides additional public financial assistance to help cities and towns address public safety and emergency response time issues to help mitigate the impacts of rail growth.

State Government

<u>Develop a systematic way of addressing freight funding, for example, to address the over $1 billion in identified at-grade crossings needs.</u>

Local Government

1. Local public agencies need to get the railroad involved early in the grade separation design process (e.g. before the agencies get to the 30% design phase.) Railroads should be available to provide input to local governments during the design process.

Trucking

State Government

1. Any state transportation revenue package that includes an increase in truck weight fees should be dedicated to mitigating the impacts of freight.

2. More funding is needed for at-grade crossing improvements and “first and last mile” projects that target gaps between major transportation nodes.

3. When public policy is developed, impacts to freight mobility should be included in the trade-off analysis.

State and Local Government (including Port Districts)

1. Encourage identification in local, regional, and state land use and transportation plans of key transportation corridors for the movement of people and goods.

2. Define freight or heavy haul corridors, including major interchanges, to allow targeted public sector investments in freight infrastructure. (RCW 46.44.0915)

Freight Inventory

- Inventory of freight deficiencies including bottlenecks, poor roadways, safety hazards and other freight performance problems.
  - Both Federal and State Eligibility
  - WSDOT, MPO, RTPO, (Cities & Counties)
  - Washington Trucking Association
  - Washington Public Ports
  - Freight Generators (Boeing and other shippers)
- Infrastructure
  - At-grade rail crossings – partial list of $1.2B

  - First/last mile connectors-Access to port, rail yard, distribution centers or truck terminals-$900M for 47 projects and counting… **FMSIB/WSDOT**
  - Weight restricted roadways-**WSDOT**
  - Structurally deficient & functionally obsolete bridges-**WSDOT**

Final Comments and Observations:

- The Freight Advisory Committee should be on-going, especially with MAP-21 still being developed
- A good first step:
  - Freight Project inventories are now an expectation.
  - First/last mile connectors as part of a system approach are under consideration
- Potential next steps:
  - Refining the inventory and developing a strategic set of investments for at-grade rail crossings, first and last mile connectors
  - Common definitions of a "freight project" are necessary at the state and national level. Advantages:
    - Enables state DOTs, MPOS, and local governments to provide consistent information and seek funding
    - (Future) Federal, state performance measures will want to know freight benefit
    - Will help clarify that programmatic investments benefit freight, but are not freight projects—i.e. preservation and maintenance funding

Champions

All four caucuses

Questions?

FMSIB Website

WWW.FMSIB.WA.GOV