Mukilteo Multimodal Project
2012 Legislative Report

Purpose of Report

This report is in response to the following proviso:

FOR THE DEPARTMENT OF TRANSPORTATION--WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W-- Sec. 308 (11) $3,932,000 of the total appropriation is provided solely for continued permitting work on the Mukilteo ferry terminal (project 952515P). The department shall seek additional federal funding for this project. Prior to beginning terminal improvements, the department shall report to the legislature on the final environmental impact statement by December 31, 2012. The report must include an overview of the costs and benefits of each of the alternatives considered, as well as an identification of costs and a funding plan for the preferred alternative.

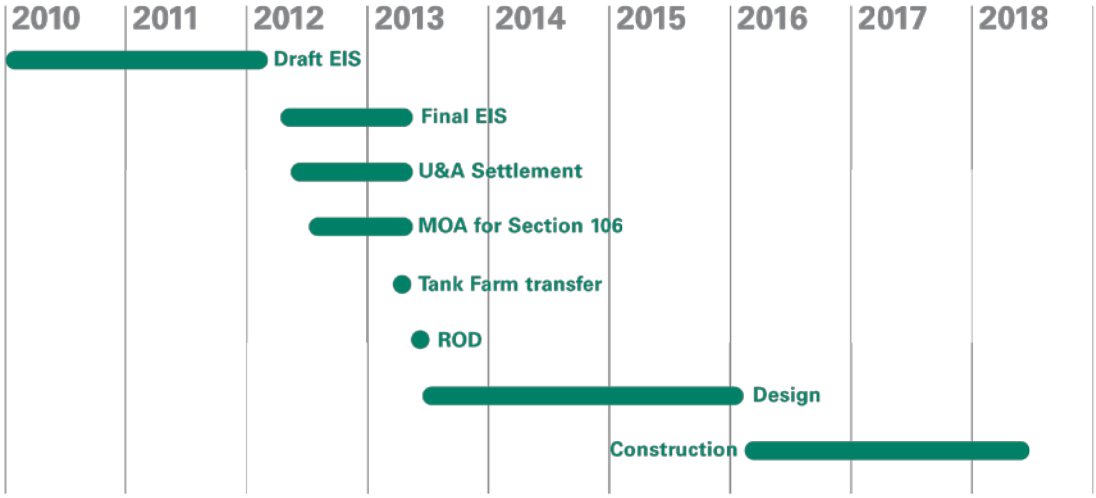
Introduction

Project Overview

The Mukilteo ferry terminal is among the WSDOT Ferries Division's (WSDOT) busiest facilities, but it has not had significant improvements for almost 30 years and needs key repairs. The current terminal layout makes it difficult for passengers to get in and out of the terminal and contributes to traffic congestion, safety concerns, and conflicts between vehicle and pedestrian traffic.

WSDOT and the Federal Transit Administration (FTA) are preparing an environmental impact statement (EIS) for the Mukilteo Multimodal Project in compliance with the National and State Environmental Policy Acts (NEPA/SEPA). The Final EIS is due to be released in April 2013, followed by the Record of Decision (ROD) in June 2013. The ROD is a significant milestone which will allow the project to become eligible for additional federal funding.

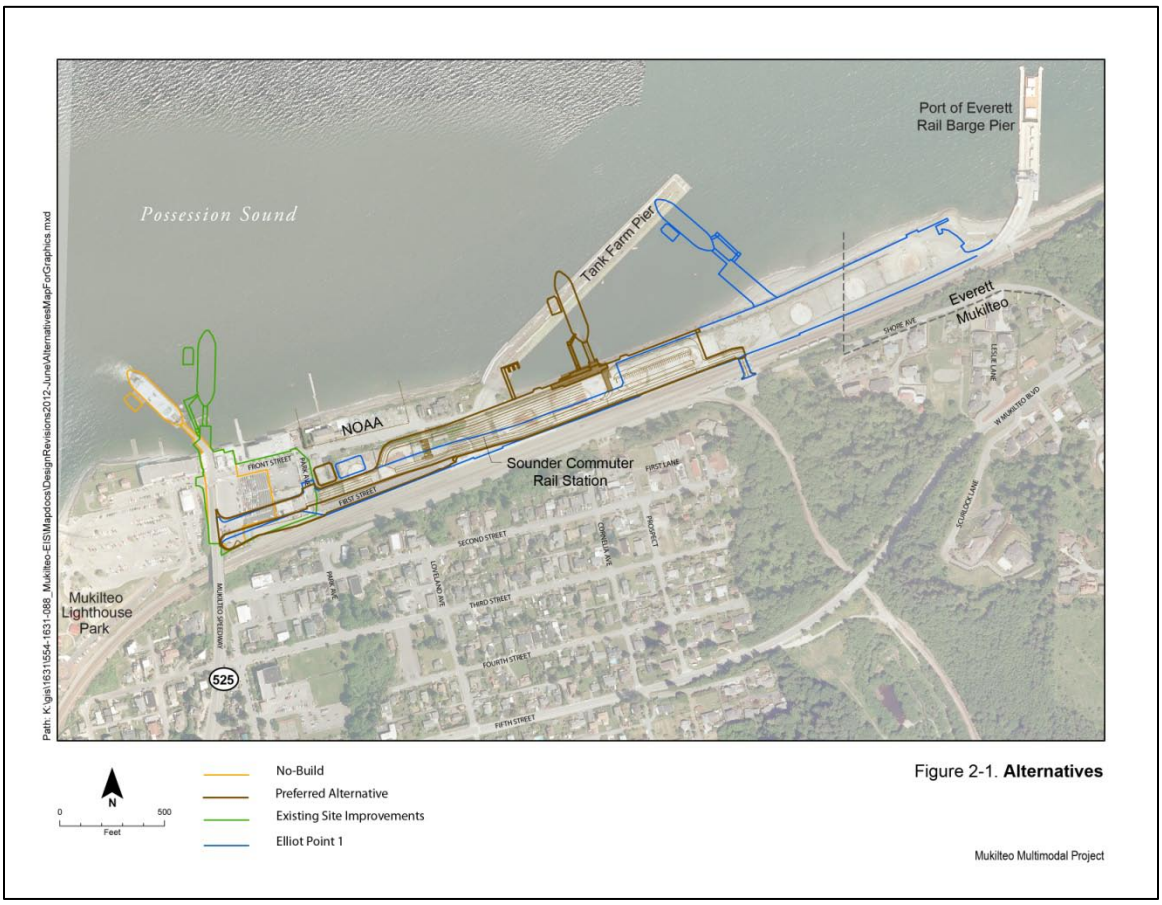
Project Schedule



Environmental Impact Statement Progress and Status

WSDOT and FTA released a Draft EIS for a 45-day public comment period in January 2012. During the comment period we received comments from 138 members of the public and 16 agencies and tribes, most of which favored the Elliot Point 2 Alternative. All comments will be addressed in a Final EIS.

The Draft EIS evaluated four project alternatives:



Graphic from the Final EIS showing all four alternatives

No-Build Alternative

The No-Build Alternative maintains the existing facility but does not improve it; this alternative provides a basis for comparing the effects of the Build alternatives.

Existing Site Improvements Alternative

The Existing Site Improvements Alternative would construct an improved multimodal facility by replacing the existing Mukilteo ferry terminal with an expanded terminal at the current site.

Elliot Point 1 Alternative

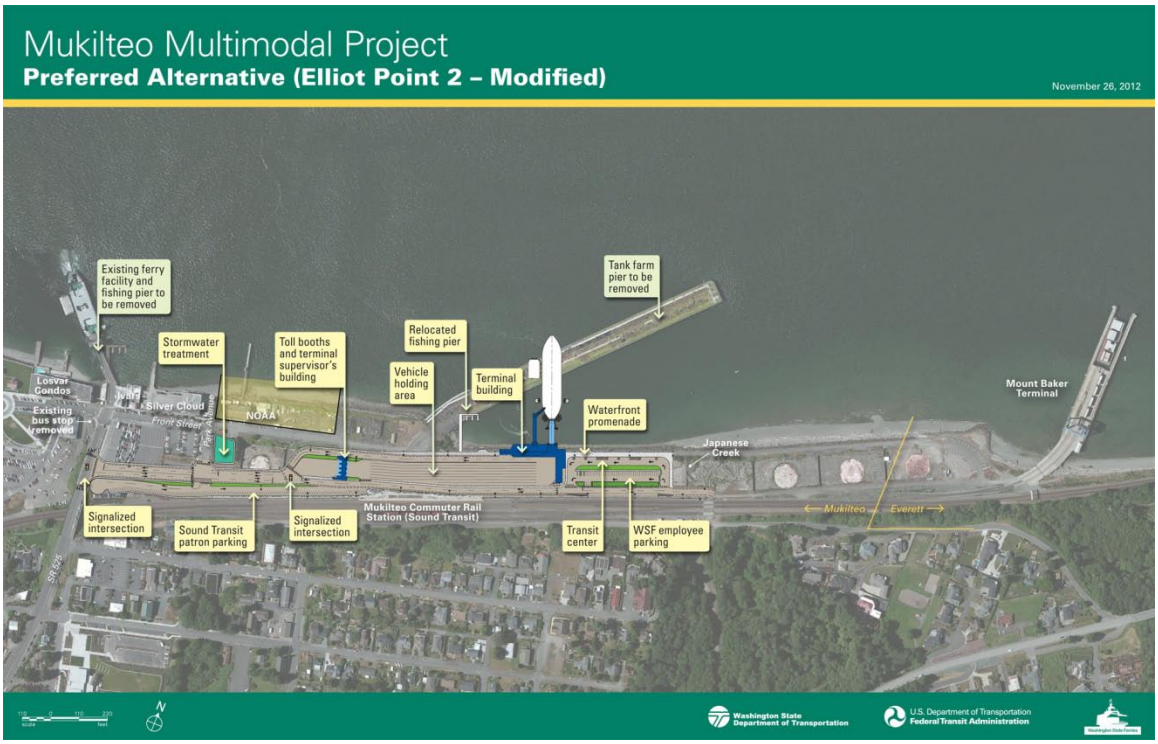
The Elliot Point 1 Alternative would relocate the terminal to the eastern portion of the Mukilteo Tank Farm as part of an integrated multimodal center and remove the existing terminal.

Elliot Point 2 Alternative

The Elliot Point 2 Alternative would relocate the terminal to the western portion of the Mukilteo Tank Farm as part of an integrated multimodal center; the existing terminal would be removed.

Preferred Alternative

WSDOT identified Elliot Point 2 - Modified (refinements identified below) as its preferred alternative in May 2012. WSDOT's preference for the Elliot Point 2 alternative is based on the alternative's ability to meet the purpose and need of the project while providing the best balance of environmental benefits compared to impacts. WSDOT also considered public comments and feedback received during the comment period, including many statements of support for Elliot Point 2. Elliot Point 2 is also the least expensive improvement alternative.



Benefits of the Preferred Alternative

The Elliot Point 2 - Modified Alternative relocates the ferry terminal to the western portion of the tank farm site. Because the water is deeper in this location, the ferry slip would be closer to the shore with a shorter trestle than the other alternatives. The facility will be built to current seismic and ADA codes. The alternative includes a new passenger and maintenance building, a supervisor's building, and four new toll booths. This alternative includes an overhead loading structure which will separate pedestrians from vehicles and allow them to load and unload simultaneously. Elliot Point 2 is the alternative closest to the transit center and Sound Transit commuter rail station. All pedestrian activities are separated from vehicle traffic, increasing safety. HOVs and bikes will have designated access to the terminal. This alternative eliminates the conflict with local traffic, buses and pedestrians with ferry loading and unloading, increasing efficiency. A relocated terminal allows the facility to be designed so that security and revenue control are maximized. The

existing ferry terminal and tank farm pier would be removed, eliminating thousands of tons of toxic creosote-treated debris from Puget Sound.

WSDOT has identified several refinements to Elliot Point 2's design to further improve its ability to meet the purpose and need, reduce environmental impacts, and improve other benefits. These refinements, known as Elliott Point 2 – Modified, are proposed to:

- Further reduce queuing on SR 525
- Avoid impacts to the Sound Transit Mukilteo Station's existing parking
- Avoid impacts to the general parking supply in Mukilteo's central waterfront area
- Provide a more continuous walkway along the shoreline
- Better accommodate potential design features that reflect the site's cultural and historic significance to Native American tribes
- Accommodate a relocated fishing pier and avoid disrupting public fishing activities when the existing terminal is demolished

Many of the elements of these design refinements are interconnected, but the overall footprint of the Preferred Alternative (Elliot Point 2 – Modified) and its major elements would remain very similar to how Elliot Point 2 appeared in the Draft EIS.

Tribal Consultation

FTA and WSDOT have closely coordinated with tribes throughout the life of the project. Through letters and statements from tribal representatives, the tribes emphasized the great cultural and historic importance of the Mukilteo waterfront area. The area is part of their historic lands and was an important tribal gathering place. The site is also culturally important to the tribes as the location of the signing of the Point Elliot Treaty of 1855. The treaty ceded Native American land in the Puget Sound region in exchange for reservations and fishing rights.

Tribes have emphasized the importance of known as well as likely archaeological resources in the area around the existing Mukilteo terminal and the Elliot Point sites. They stated the importance of the Section 106 process in evaluating potential adverse impacts to these resources. The Mukilteo concepts are also within tribal "Usual and Accustomed" fishing areas, which are economically and culturally important to the tribes. Tribal leaders emphasized that impacts to natural and cultural resources must be considered as part of the EIS analysis.

Status of Memorandum of Agreement for Cultural Resources

A Memorandum of Agreement (MOA) is a binding legal document that serves as the resolution of the process laid out in Section 106 of the National Historic Preservation Act (NHPA) and its implementing regulations at 36CFR800. The MOA stipulates the measures to be taken to avoid, minimize, or mitigate adverse effects to historic properties caused by a

federal undertaking. At a minimum, the MOA is signed by the lead federal agency and the State Historic Preservation Officer. The Advisory Council on Historic Preservation (ACHP) is also asked if they would like to be a part of this process and can become a third required signatory if they agree to participate. The implementation of an MOA completes the Section 106 process for a federal agency and is one crucial step in allowing for funding or permitting to be released and the undertaking to move forward.

The Draft MOA was sent out for an official 30 day review to the tribes and consulting parties in October 2012. FTA and WSDOT held individual meetings with the tribes in November 2012 to gather comments and find out which tribes will be Concurring Parties to the document. Comments were also gathered and incorporated from other consulting parties in November. Due to the favorable coordination to date, FTA and WSDOT expect the MOA will be ready for signature in early 2013.

To mitigate tribal concerns, WSDOT is committing in the MOA to avoid excavation within known limits of an archaeological site. The design for the Preferred Alternative includes fill up to seven feet high and utility and building foundation design that will not require excavation into this site. In addition, WSDOT is preparing, in collaboration with the tribes, cultural design criteria that will provide guiding principles for building and terminal design compatible with the historical and cultural significance of the project site.

Consultation with Usual and Accustomed Treaty Tribes

WSDOT has been actively working with the Tribal Councils and staff of the four tribes that have Usual and Accustomed treaty rights in the Mukilteo area: the Tulalip Tribes, Swinomish Tribe, Suquamish Tribe, and the Lummi Nation. The tribes have not objected to the selection of Elliot Point 2 as the preferred alternative for the project, provided that WSDOT and the tribes reach an agreement on mitigation for treaty fishing impacts. Further meetings have been scheduled with tribal leadership to discuss fishing, natural and cultural resource issues. WSDOT is working toward reaching agreement in principal with the Usual and Accustomed treaty tribes by spring 2013.

Tank Farm Land Transfer

The U.S. Air Force conveyance of 18.85 acres of the Mukilteo Tank Farm to the Port of Everett is directed by Section 2866 of the Military Construction Authorization Act for Fiscal Year 2001 [division B of the Spence Act; 114 Stat. 1654A-436], as amended by Section 2858 of the National Defense Authorization Act for Fiscal Year 2002 [PL 107-107]. The same legislation directed the U.S. Air Force to transfer jurisdiction over the remaining 1.1 acres of the site to the U.S. Department of Commerce for continuing operation of the NOAA Mukilteo Research Station. The property includes lands, structures, pier, roadways, and other features. The transfer does not directly involve demolition or development actions.

The U.S. Air Force finalized an Environmental Assessment (EA) for the transfer of a portion of the Mukilteo Tank Farm to the Port of Everett in October 2012. The EA was a major milestone for the property transfer; with the EA complete, the Air Force is one step closer to completing the property transfer by April, 2013. WSDOT has entered into negotiations with the Port of Everett for right-of-way exchange once the property transfer is complete.

Cost/Benefit Analysis

Project Costs

In September 2012, WSDOT prepared a revised cost estimate and conducted a Cost Estimate Validation Process (CEVP) on the Preferred Alternative. This process is used to identify project risks and quantify the probable monetary impact of those risks and add them to the base project. As a rule, the total project cost which includes the CEVP "60% risk reserve" means there is a 60% chance of completing the project at or below the total estimate. The Preferred Alternative base cost estimate is $123.7 million in year of expenditure dollars (YOE$). This is a scoping level estimate based on an approximate 10-15 percent level of design. The CEVP identified $17.2 million of risk (60%) for a total CEVP project cost of $140.9 million in YOE$.

Project Costs by Phase (Millions)

Project Phase	Base Cost (YOE$)	Risk Reserve	CEVP (YOE$)
Preliminary Engineering[1]	$19.83	$7.04	$26.87
Right-of-Way	$3.54	$-0.25	$3.29
Construction[2]	$100.34	$10.41	$110.75
Total	**$123.71**	**$17.20**	**$140.91**

At the current level of design (10-15 percent) and after completion of the Final EIS, the project will conduct a value engineering study. After obtaining the Record of Decision (target date June 2013) and with the value engineering input, WSDOT will prepare 30 percent design and conduct another risk-based estimate analysis to refine costs. The project will also be evaluated for an alternative delivery method.

[1] Includes environmental documentation, permitting and design engineering (09-11 biennium forward)
[2] Includes estimated costs of mitigation

Cost/Benefit Assessment

This section documents the work done to produce a benefit/cost assessment to quantify key economic benefits to ferry riders, other stakeholders, and WSDOT. The project team developed a summary of the important cost and benefit drivers by which the project alternatives should be evaluated. The key benefits not quantified in the construction cost estimates or CEVP are the cost of delays to walk-on and vehicle passengers, and possible accidents due to congestion when offloading at Mukilteo.

A benefit/cost assessment of this type requires a base case, against which costs and benefits can be calculated. To answer the question "*how good is this alternative?*" it is necessary to know what would be done otherwise. This is sometimes called no-build; however, it is not realistic for WSDOT to actually do nothing at the Mukilteo terminal, including no preservation spending. Therefore, preservation-only is the No-Build Alternative, and it is treated as the base case and assumes that, in the absence of a rebuild project, WSDOT will replace aging assets at the most economically optimal time.

Problem Statement

The problem statement for this business case is the following:

> *Which of the four identified alternatives for the Mukilteo Multimodal Project produces the most net benefit to ferry riders, other stakeholders and Washington State taxpayers?*

The economic analysis is intended to address the problem statement. The approach is to estimate the net benefit, based on the Net Present Value (NVP), of each alternative relative to the base case (No-Build Alternative). The analysis determines the degree to which each alternative differs from the No-Build in terms of all relevant costs, including capital, maintenance and operations, and ridership costs such as delays and the risk of missed sailings.

Overview of Business Case Inputs and Assumptions

The business case quantifies the differences between alternatives not only in terms of direct costs, which are relatively well known, but also in terms of how well they serve ridership and other stakeholders. Below is a summary of the ways in which the alternatives differ.

- *Cost, including risk*. The most obvious difference among alternatives is costs, including construction-related risk, that have been estimated in the construction cost estimates and the CEVP. The probability distributions from the CEVP are direct inputs to the business case.
- *Construction outage*. The alternatives vary in terms of how long the terminal must be shut down during construction. During a shutdown, service will be routed to

Edmonds. A shutdown imposes costs on the riders[3], both at Mukilteo and at Edmonds.

- *Delays due to sharing vehicle transfer span*. A significant problem for the existing terminal is delay caused by congestion on the vehicle transfer span, which is used by both walk-on and vehicle passengers. The cost[3] due to this delay is expected to increase as ridership grows, unless the problem is corrected.
- *Existing site intersection effects: delays and safety risk*. At the exit of the existing terminal is an intersection with a traffic light, which causes delays for both walk-on and vehicle passengers. There is also concern for possible safety issues due to conflicts between pedestrians and drivers.
- *Life-cycle risk and maintenance cost of operational assets*. Depending on when the assets are replaced, the cost due to risk and maintenance varies (i.e., older assets are expected to have higher risk and maintenance costs).

Alternative Comparisons

No-Build Alternative

The No-Build (Preservation Only) Alternative is to continue operation of the existing facility, replacing assets as they reach the end of their useful life.

The cost of this alternative is $68 million.[4]

Construction Outages

WSDOT has estimated that the No-Build Alternative will require an outage of six months to replace the facility in the same footprint. During this period, alternate service would run between Clinton and Edmonds. This presents two major cost implications to riders: the effect on Mukilteo riders and the effect on Edmonds riders. The effects are summarized in the table below, which shows ridership effects during a recent outage at Mukilteo.

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[3] The assumptions behind ridership costs were developed as part of the Asset Management project and are documented in a memorandum titled *Summary of Estimated Cost to Riders of Lost and Delayed Sailings*, dated November 24, 2009.

[4] Cost is "year of expenditure" (i.e., escalated, not discounted) and includes the risk reserve and is the 60th percentile cost from the 2011 CEVP, December Update, plus $3 million for environmental documentation, permitting and design engineering spent in the 09-11 biennium. Current year cost, including risk is $52M.

	Normal passenger load	Passenger load during outage
Mukilteo-Clinton passengers		
Friday	3437	1213
Saturday	3140	1213
Sunday	2090	1213
Est. weekly total	22415	8491
Percent of total	100%	38%
Edmonds-Kingston passengers		
Friday	3557	3032
Saturday	3612	3107
Sunday	2487	2359
Est. weekly total	23884	20626
Percent of total	100%	86%

WSDOT expects to make minor changes to the Edmonds-Kingston ferry schedule during the outage in order to support needed dwell times for the alternate service from Clinton and to ensure on-time performance. The cost to riders due to delays (assumed as a one-hour delay) is calculated at $1.5 million per month or total of $9 million for six months.

Ridership costs are also estimated for those typical Mukilteo-Clinton riders that will make alternate travel arrangements. Rider costs assume a short-term outage: the rider arrives at the terminal to find that there is a problem. If an outage is extended, however, riders can know in advance and make alternate arrangements. They may arrive earlier, they may take an alternate route, or they may choose not to travel at all. The longer the outage extends, the more incentive and opportunity riders have to adjust. We have estimated that the cost to riders gradually declines from the full cost initially ($15 million/month) to one half the full cost after six months ($7.5 million/month). This equates to an average ridership cost estimated at over $11 million per month for a total of $67.5 million.

In addition to the rider effects, this change in operations will require a one-time cost of $570,000 for temporary improvements, and a daily operations cost of $19,000, as estimated by WSDOT. This equates to $4.0 million.

Total Construction Outage cost is $9 million + $67.5 million + $4 million = $80.5 million

Vehicle Span Loading Delay

An analysis of traffic flow at Mukilteo under both existing and projected future conditions shows the following approximated effects:

- Currently, estimates show that one boat in four during the summer months is delayed by an average of four minutes due to vehicles and walk-on passengers

sharing the transfer span. Using WSDOT's standard cost assumptions, this equates to an annual cost of $696,000.

- By 2040, when ridership has increased, estimates show that one trip in 20 will be missed entirely. This equates to an annual cost of $11.4million.

This analysis assumes a linear increase between the current and future cost. Therefore the net present value of this annual cost is $113 million.

Intersection Delay

The delay of passengers at the intersection of SR 525/Front Street has been modeled as follows: 276 passengers total; 25 percent are delayed four minutes, 15 percent are delayed seven minutes. This translates to an annual cost of $97,000 and a net present value of $2 million.

Intersection Safety Risk

Based on history of the intersection, we calculate that the maximum annual likelihood of a safety related event is approximately 5 percent.

The cost[5] of such an event is assumed at $10 million. This results in an annual risk of 0.05 x 10 million = $500,000 and a net present value of $9million.

Existing Site Improvements Alternative

This alternative would reconstruct the terminal and its related facilities at the current site, which would be expanded and realigned. This would improve some local traffic, safety, and security features at the terminal facility and improve some of the multimodal transportation connections. It would provide capacity for growth in transit service at the terminal and would place buses closer to the Mukilteo Station than they are at the existing terminal.

The cost of this alternative is $143 million.[6]

Construction Outage

The construction outage for the Existing Site Improvements Alternative is two months due to the ability to construct a major portion of the facility adjacent to the operating slip. This is a shorter outage versus six months for the No-Build Alternative. Because this outage is

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[5] See EPA, National Center for Environmental Economic for guidance on assigning costs: http://yosemite.epa.gov/ee/epa/eed.nsf/webpages/homepage

[6] Cost is "year of expenditure" (i.e., escalated, not discounted) and includes the risk reserve and is the 60th percentile cost from the 2011 CEVP, December Update plus $3 million for environmental documentation, permitting and design engineering spent in the 09-11 biennium. Current year cost, including risk, is $126 million.

relatively short, we use the short-term outage cost. Based on this, the total construction outage cost is calculated as follows:

Mukilteo: $15 million/month x 2 months = $30 million
Edmonds: $2 million/month x 2 months = $4 million

In addition to the rider effects, this change in operations will require a one-time cost of $570,000 for temporary improvements and a daily operations cost of $19,000, as estimated by WSDOT. This is a total cost of $1.7 million.

Total Construction Outage cost is $30 million + $4 million + $1.71 million = $35.7 million

Vehicle Span Loading Delay
This alternative includes overhead loading, which will completely eliminate delays caused by sharing the vehicle transfer span.

Intersection Delay
Delays at the intersection are greatly improved in this alternative; therefore the cost is reduced by 75 percent, for a total of $24,000. This equates to a net present value of $0 (rounded from $0.46million).

Intersection Safety Risk
The safety concern at the intersection is improved in this alternative; therefore the cost is reduced by 75 percent for a total of $125,000. This equates to a net present value of $2million.

Elliot Point 1 and Elliot Point 2 Alternatives
These alternatives would build a new ferry terminal on the Mukilteo Tank Farm – Elliot Point 1 on the eastern end, and Elliot Point 2 on the western end. Each would increase areas available to queue vehicles waiting to reach the terminal, and provide adjacent bus facilities. The Preferred Alternative (Elliot Point 2 - Modified) would provide the shortest distance for connections between the ferry passenger building and either the commuter rail station or transit center. Elliot Point 2 has a more compact footprint than Elliot Point 1, largely because it would not need a roadway extending all the way to the east end of the Mukilteo Tank Farm.

The cost of Elliot Point 1 is $168 million.[7]

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[7] Cost is "year of expenditure" (i.e., escalated, not discounted) and includes the risk reserve and is the 60th percentile cost from the 2011 CEVP, December Update plus $3 million for environmental documentation, permitting and design engineering spent in the 09-11 biennium. Current year cost, including risk, is $147 million.

The cost of Elliot Point 2 Modified is $140.9 million.[8]

Construction Outage
Because these alternatives are built on another site, there is no construction-related outage.

Vehicle Span Loading Delay
These alternatives includes overhead loading, which will completely eliminate delays caused by sharing the vehicle transfer span.

Intersection Delay
Delays at the intersection are corrected in these alternatives; therefore there is no cost.

Intersection Safety Risk
The safety concern at the intersection is corrected in these alternatives; therefore there is no cost.

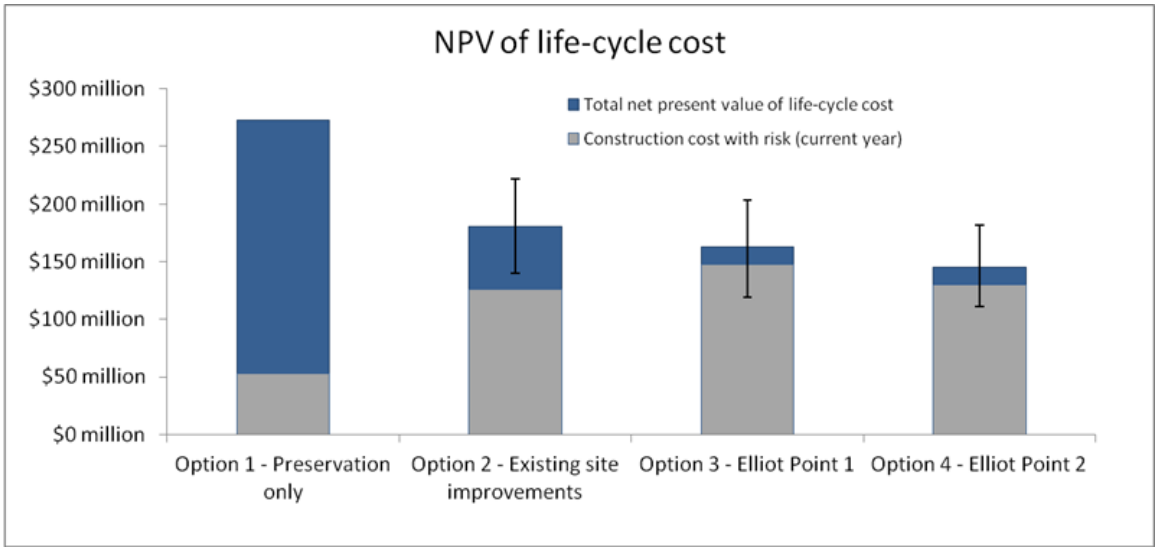
[8] Cost is "year of expenditure" (i.e., escalated, not discounted) and includes the risk reserve and is the cost from the 2012 CEVP conducted on the Preferred Alternative (Elliot Point 2 – Modified) which includes $3 million for environmental documentation, permitting and design engineering spent in the 09-11 biennium. Current year cost, including risk, is $130 million.

Results and Comments

The table and figure below summarizes the costs contributing to the net present value of the life-cycle cost of the alternatives. These costs include the capital costs (in grey) as well as the operational costs and ridership effects of each project (in blue). The expected net benefit of Elliot Point 2 (the benefit over preservation) is approximately $127 million.

Net Present Value of all Costs (in millions)

	No Build	Existing site improvements	Elliot Point 1	Elliot Point 2 – Modified (Preferred Alternative)
Cost, including risk (*current year)*	$52	$126	$147	$130
Construction outage	$80	$36	$0	$0
Vehicle Span Delays	$113	$0	$0	$0
Intersection Delays	$2	$0	$0	$0
Intersection Safety	$9	$2	$0	$0
Maintenance/ Risk[9]	$16	$16	$16	$16
Total cost	**$272**	**$180**	**$163**	**$146**



[9] The Asset Management Model developed by WSF shows $16 million dollars as a Net Present Value (NPV) of the future maintenance, risk and replacement of operational assets at Mukilteo.

Project Budget

The project funding is $102.2 million for the 09-11 through 17-19 biennia as reported in the 2012 Adopted Budget (12DOTLFC version of TEIS), with $22.1 million identified for Preliminary Engineering (PE) and $80.1 million for Construction (CN). Current funding does not include Right of Way (ROW) funds.

The PE budget (09-11 through 13-15 biennia) includes a mix of federally obligated and state match funds, and will allow completion of the EIS process and design engineering. The CN budget (15-17 through 17-19 biennia) is comprised entirely of state funds and is insufficient to cover the base construction cost.

2012 Adopted Budget (in Millions)

Project Phase/ Fund Type	09-11	11-13	13-15	15-17	17-19	Totals
Preliminary Engineering	$2.978	$5.336	$13.739	-	-	**$22.053**
Federal	$2.825	$4.634	$8.270	-	-	$15.729
State	$0.153	$0.702	$5.469	-	-	$6.324
Right-of-Way	-	-	-	-	-	-
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Construction	-	-	-	$36.243	$43.888	**$80.131**
Federal	-	-	-	-	-	-
State	-	-	-	$36.243	$43.888	$80.131
Totals	**$2.978**	**$5.336**	**$13.739**	**$36.243**	**$43.888**	**$102.184**

Based on the September 2012 CEVP results, current funding is insufficient to deliver the Preferred Alternative base cost and the identified risk reserve. An additional $38.7 M is needed to fund the project through construction based on the 60th percentile results of the CEVP analysis.

The 2013 Department Submittal represents the minimum preservation (No-Build Alternative) level of action in the absence of funding. A no-build alternative would not meet the specific multimodal conditions for which the federal grants were obtained. WSF would lose access to federal funds already received and not yet spent ($16.3 million), and may have to pay back the federal funds expended to date ($11.6 million) since the terms of the grant agreements stipulate the federal government reserves the right to require the grantee to refund the entire amount or lesser amount of federal funds based on certain conditions.

Budget Comparison (in millions)

Budget	09-11	11-13	13-15	15-17	17-19	Totals
2012 Adopted	$2.98	$5.34	$13.74	$36.24	$43.89	**$102.18**
2013 Department Submittal	$2.98	$5.34	$13.74	$38.97	$21.34	**$82.36**
Total Needed[10]	**$2.98**	**$5.34**	**$15.18**	**$51.82**	**$65.59**	**$140.91**
Shortfall[11]	$0	$0	$1.44	$12.85	$44.25	**$58.54**

For the 13-15 biennium, design engineering and the right of way acquisition process would proceed. The 2012 Adopted and 2013 Department Submitted budget amount for this biennium would allow for continuation of design engineering but at a reduced risk reserve amount than that determined from the 2012 CEVP. This budget does not include funding for ROW. The $15.18 million Total Needed amount includes the PE and ROW budget with full risk reserve, aged for this biennium based on the project milestones.

For the 15-17 biennium, design would be completed with right of way acquired and the project would begin the construction phase. Construction would be completed in the 17-19 biennium. The 2012 Adopted and 2013 Department Submitted budget amounts for these biennia are insufficient to cover the base construction cost. The $51.82 million (15-17) Total Needed amount includes PE and ROW budget to complete those phases and CN budget to begin construction. The $65.59 million (17-19) Total Needed amount is the CN budget for construction completion. These amounts include full risk reserve and are aged for these biennia based on the project milestones.

Funding Plan

The Mukilteo Multimodal Project is considered a priority by WSDOT for federal funding, and efforts to secure future grants will be aggressive. Once the project receives its ROD in June 2013, the project will be in a position to apply for federal grants to help fund the shortfall and potentially replace state funding.

To date, WSDOT has secured $27.9 million in obligated federal grants. In the 2012 Adopted Budget only $22.3 million is programmed (09-11 through 13-15 biennia and priors) with

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[10] Total Budget Needed represents the project's total planned cost, including risk based on the 2012 CEVP results, in year of expenditure dollars, and aged over the appropriate biennia for the respective project phases (PE, ROW & CN).

[11] Budget Shortfall represents the difference between Total Budget Needed and the 2013 Department Submittal.

$8.3 million for the 13-15 biennium and no federal funding beyond. The remaining $5.6 million is yet to be programmed.

The following is a list of potential funding sources for the project.

Projects of National and Regional Significance (PNRS) program – FTA
This grant program is similar to the TIGER grant program, though it is primarily intended for megaprojects. If the Mukilteo project is eligible, and WSDOT selects it among the projects for which our agency will apply, there will be $500 million available for competitive selection in Federal Fiscal Year (FFY) 2013. If this program's requirements are similar to TIGER, competition for funding will likely be very tight, as the TIGER program has seen funding requests totaling many times the amount of funding available.

FTA Passenger Ferry Program
This new program, created in MAP-21, makes available $30 million nationwide per year for public ferry systems, to be awarded on a competitive basis. This program is funded for FFYs 2013 and 2014, but may be continued afterwards though the available amounts may change. Specific information on selection criteria will be released by FTA in the near future.

MAP-21 Ferryboat Formula Funds
This new formula funding program allocates $67 million per year to public ferry systems by formula, based on annual passengers carried, annual vehicles carried, and system route-miles; WSF anticipates receiving $15 to $20 million per year.

FTA and FHWA Formula Funds allocated in PSRC Regional Competition (includes FTA State of Good Repair funds, and FHWA CMAQ and STP funds)
FTA and FHWA formula funds for transit systems in the Puget Sound, including Washington State Ferries, are allocated via the Puget Sound Regional Council. A portion of these funds are set aside in a competitive pool, and regional transit agencies compete for these funds in a Regional Competition.

FTA New Starts, Small Starts, and Core Capacity funds (5309)
This $1.9 Billion program funds the following types of projects for new fixed-guideway systems (including ferries), or an extension of a fixed-guideway system:

- **New Starts** – For projects costing more than $250 million total project cost, or that are requesting more than $75 million in federal funding
- **Small Starts** – For projects less than $250 million total project cost, seeking less than $75 million in grant funds
- **Core Capacity Improvement** – For fixed-guideway systems that are at capacity, or which will be in 5 years, and for projects that will increase the capacity of the corridor by at least 10 percent.

FHWA National Highway Performance Program (NHPP) funds

These are formula funds allocated to States for a variety of highway projects, and can be used at the state's discretion. In the past, WSDOT has used similar funds for Ferries projects when the need arose. The program has changed since MAP-21 passed, however, and it is still being determined whether the new program guidelines allow for spending on ferry projects. If such spending is allowed, this will be an option WSDOT may consider for filling the funding gap on Mukilteo.

EPA Brownfield Program

Cleanup grants provide funding to carry out cleanup activities at specific brownfield sites owned by the applicant. Projects can address hazardous substances and/or petroleum contamination at a specified site.

Grant Program Name/ Fund Type	Total Available Nationwide Annually	Potential Available to WSDOT	Potential Available for Mukilteo	When Available
Projects of National and Regional Significance (PNRS) program - FTA	$500,000,000	TBD	TBD	Annually, starting in 2013
FTA Passenger Ferry Program	$30,000,000	Likely between $5,000,000 and $10,000,000	Between $4,000,000 and $8,000,000	Annually, starting in 2013
MAP-21 Ferryboat Formula Funds	$67,000,000	WSDOT anticipates between $15,000,000 and $20,000,000 per year.	TBD	Annually, starting in 2013
FTA and FHWA Formula Funds allocated in PSRC Regional Competition (includes FTA State of Good Repair funds, and FHWA CMAQ and STP funds)	Region-wide, in PSRC jurisdiction: $17.5m per year in FHWA funds ($35m every two years), and $8.25m per year in FTA funds ($16.5m every two years)	TBD	TBD	2014 - between March and June, most likely
FTA New Starts, Small Starts, and Core Capacity funds (5309)	$1,907,000,000	TBD	TBD	Annually, starting in 2013

Grant Program Name/ Fund Type	Total Available Nationwide Annually	Potential Available to WSDOT	Potential Available for Mukilteo	When Available
FHWA National Highway Performance Program (NHPP) funds	$22,000,000,000	TBD	TBD	Annually, starting in 2013
EPA Brownfield Program	$60,000,000	up to $200,000 per brownfield site, if applicant is the sole owner of the site	200,000	Annually. The first call for projects will be in Fall 2013

Conclusion and Next Steps

WSDOT is confident that project construction can be completed by 2019 provided that funding is available. The Final EIS is due to be released in April 2013 and a ROD from FTA is expected in June 2013. Coordination with the tribes regarding impacts to resources and treaty rights is progressing and the tribes have not objected to the Preferred Alternative or the property transfer of the tank farm property from the Air Force to the Port of Everett, which is due to take place early in spring 2013. Monthly partnership meetings with the project stakeholders, including the City of Mukilteo, the Port of Everett, Sound Transit, NOAA, Island County and the Air Force have continued to be positive and the project has received widespread support and little opposition from community members and ferry riders.

WSDOT will aggressively pursue federal funding for the Mukilteo Multimodal Project to supplement funding already received. Once the project receives its ROD, the project will be in a position to apply for federal grants to help fund the shortfall. FTA's funding is dependent on the project including certain multimodal elements. The 2013 Department Submittal represents the minimum preservation (No-Build) level in the absence of funding. A No-Build alternative would not meet the specific multimodal conditions for which the Federal Grants were obtained. WSF would lose access to $16.3 million future funds already received with $5.6 million not yet programmed, and the federal funds expended to date on the NEPA EIS process would be in jeopardy.