Representative Jake Fey began the meeting by acknowledging the work of the Subcommittee in identifying local resources for the important completion of SR 167 and SR 509. He noted that getting the Program put together and funded has been one of his top priorities while in office. He also addressed that some jurisdictions were more heavily involved earlier in the process, and
through that earlier involvement, endorsed the local funding contribution component. He also acknowledged that others, that weren’t as involved in lobbying for the projects, were not fully aware of the commitment to provide a local match. He concluded his remarks by noting his commitment and willingness to support both projects in Olympia.

Next, Craig Stone, Puget Sound Gateway Program Administrator reviewed the agenda and asked that everyone seated at the table, and around the room, introduce themselves.

Craig then provided a funding overview for the Program. He noted that approximately eighty percent of all funding for the Program is coming through State funding. He also explained that in addition to the $130 million of local funding and $180 million from tolling, the Program has applied for a $111 million US Department of Transportation (USDOT) INFRA grant. The grant was submitted on November 2. He noted that there has been no indication as to the number of competing applications, or a timeframe for award. He thanked everyone in the room for their support through letters and reviewed some of the other elected officials and organizations that supported the grant request.

Next, Rita Brogan, the Program’s Independent Facilitator for the Subcommittee, reviewed a recap of the October meeting. She reviewed the previously described objectives and principles for the Subcommittee. She also noted that based on feedback from the prior meeting, one principle was amended to read: “Coordinate with other partners during grant submittals.” She noted this change was made to address the concern at the previous meeting regarding not competing for grants in the same year as Gateway grants are submitted.

Finally, she reviewed the information from the October meeting pertaining to the grant focused strategy and reminded the Subcommittee of the previously identified funding table, indicating general funding distribution between local partners, the ports and USDOT. She also reviewed the local nexus projects that are likely strong candidates for grant proposals.

Next, Steve Gorcester, the Gateway Program’s Grant Strategist, highlighted that the local nexus projects are those that would be most compelling to grant review boards. He explained that the idea is to create a positive business case for local jurisdictions through match partnering to leverage grants from various sources.

Then Steve reviewed the draft jurisdiction benefit classifications and partner roles. He explained that in evaluating the level of benefit to a jurisdiction, it’s important to understand that there are more quantifiable and less quantifiable benefit evaluation measures. He explained that more quantifiable measures are things such as direct access to the new highway facility within a jurisdiction, sales tax revenue and potential trip diversions from local streets. He explained that less quantifiable measures are items such as realizing comprehensive plans, or an increase in land value within a jurisdiction.

Rita then paused for questions regarding how benefits are being assessed.

Mayor Suzette Cooke, Kent: Is it possible to measure the jobs that will come to a city as a result of the project?
Andrew Bjorn, economic analyst: We can determine some broad estimates, but it is very difficult to accurately measure the job creation associated with a single local nexus project.
Peter Heffernan, King County Department of Transportation: If you are able to address jobs within a particular area, I encourage you to do so. Job information is important in grant applications.

Mayor Cooke: When sales tax is addressed, it is important that you are looking at the net impacts of sales tax. If you create sales tax, but eliminate major sales tax generators for a city; that needs to be included in your analysis.
Steve: Yes, we will determine the net sales tax benefit.

Next, Steve reviewed how benefiting jurisdictions may be classified into tiers to address their level of contributions. He indicated that there are three tiers as follows:

- **Tier 1: High level of benefit**
  - Significant access benefits
  - Traffic contribution or beneficial redistribution
  - Significant sales tax from project
  - Significant indirect benefits

- **Tier 2: Moderate level of benefit**
  - Indirect nearby access
  - Traffic contribution or beneficial redistribution
  - Receives minor sales tax from project
  - Indirect benefits

- **Tier 3: Low level of benefit**
  - Minor traffic contributions
  - Regional access
  - Indirect benefits

Then Steve reviewed the anticipated partner roles associated with each tier. They are as follows:

<table>
<thead>
<tr>
<th>Benefit Level</th>
<th>Proposed Partner Roles</th>
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| **Tier 1 (Ports and Cities)** | - Contribute to local projects  
                                  - Donate right-of-way (if applicable)  
                                  - Sponsor, initiate and help write grants  
                                  - Support project and grant requests  
                                  - Participate in project development review & project meetings |
| **Tier 2 (Cities and Counties)** | - Contribute to match to local projects  
                                         - Support project and grant requests  
                                         - Participate in project development review & project meetings |
| **Tier 3 (Cities)**         | - Support project and grant requests  
                                 - Participate in project meetings |
Steve then opened the meeting to discussion

Tim LaPorte, Public Works Director, Kent: The first tier’s benefit seems easily established, but how do collect monetary support from a Tier 2 city?
Steve: All of this will require more analysis, but we do have an idea of where jurisdictions will likely fall in the tiers. If you’re a Tier 2, you don’t have a direct benefit, such as ramps in your city, but that jurisdiction is still realizing a lot of benefit, and therefore will still be asked to contribute to the match. The exact amount of each jurisdiction’s contribution will be determined. The concept now is that each local nexus project will develop an ideal local funding package. Then we’ll negotiate or resolve each funding package with every city that has an interest in a local nexus project. This approach will develop a balance sheet that will enable us to work with Tier 1 and 2 partners to arrive to something everyone can agree to.

Tim LaPorte: Assuming Kent is a Tier 1 city given the benefit we get from extending Veterans Drive; how would we go after getting the Tier 2 cities, county or port to get involved? Would we be asking for a direct contribution?
Steve: Yes, it would be a direct contribution. Most of these grants operate on process payments. We will negotiate a funding agreement for each grant application to determine contribution amounts.

Councilmember Dave Kaplan, Des Moines: Is the partnership contribution specific to the four local nexus projects you highlighted earlier, or to the Program overall?
Steve: The money is specific to the local nexus project.

Mayor Cooke: What leverage does the state have if a jurisdiction is unwilling to participate or pay into a match?
Steve: It will depend on which tier a jurisdiction is assigned to. If a Tier 1 agency is unwilling to pay, it will create a breakdown in the process, if it’s a Tier 3 jurisdiction, it’s not a fatal flaw. If it’s a Tier 2 that won’t participate it will come down to how sensitive that is for the individual grant and funding strategy. We’re trying to create a reasonable local business case.

Representative Fey: Approximately how many cities do we have that are Tier 1? It appears to be Fife, Tacoma, Puyallup, Kent, SeaTac, and the Ports. From those, how much sales tax is generated?
Mayor Siefkes, SeaTac: We anticipate it will be approximately $1 million, which we are already committed to contributing.
Steve: There’s about $5 million from the cities.
Representative Fey: You could spend a lot of time chasing cities that aren’t willing to participate. My caution is to focus on the biggest benefiters and make the best use of your time and resources in preparing grant applications and funding packages.

Next, Andrew Bjorn, economic analyst, reviewed a sample form that is being proposed to help jurisdictions understand their tier and how WSDOT and the team assessed their level of benefit. After reviewing, Andrew asked if there was other information that the jurisdictions would be interested in receiving.

Peter Heffernan: The individual project worksheet and how it applies to each jurisdiction is a good approach. It will be interesting to see how you attribute benefits.
Steve: We don’t want to develop a complex scoring system, but we want to develop an approach to categorize jurisdictions by benefit assessment. We will provide a benefit assessment for each jurisdiction for use in communities and to address questions and concerns as we move toward the adoption of the Memorandum of Understanding (MOU).

Mayor-elect Dana Ralph, Kent: We’ve talked a lot about cities that are tiers 1, 2 and 3. We want to make sure that we’re still talking about how the counties are involved. I’m curious how we’re addressing them and how we make sure they’re involved.
Steve: They’re equally involved and a tier will be identified and a partner assessment will prepared for the counties. Everyone is on even terms right now. There are some agencies that have committed to providing some contribution, such as SeaTac, but the rest will be identified through this process.

Councilmember Kaplan: When do you anticipate the partner assessments will be done?
Steve: An Executive Committee is tentatively planned for February 7 and our goal is to have them completed by then.

Eric ffitch, Port of Seattle: I generally support the concept. In earlier conversations about match and project components, it was discussed that if agencies didn’t contribute, project elements might not get built. In this scenario, you may end up in a situation where you’re giving leverage to Tier 2 cities. I’m interested in knowing how it will be handled if cities begin making additional requests beyond the present scope.
Steve: If there are elements of the project that get added as a result of individual conversations, that money will also have to be identified as part of those conversations and through local contributions.

Mark Howlett, City of Milton: Is Sound Transit going to be a partner? There could be a lot of overlap and there could be an opportunity to share wetland studies and right of way.
Craig: From a funding perspective I don’t think Sound Transit would contribute to our Program. That said, we are coordinating very closely with them as we have $4 billion in projects along the same corridors. On SR 509 we’ve already assumed the efficiencies and reduced the cost based on our coordination with Sound Transit.

Dan Brewer, Des Moines: It appears that in the project assessment you show sales tax receipts during construction on the assessment. It would be helpful if you could make an assessment to understand what might be available to contribute to these projects.
Andrew: This is intended to communicate to each city what the benefits are and it will include the sales tax benefits by community.
Dan Brewer: Having the tangible dollar amount would be really helpful.
Steve: Yes, we’ll provide it for each jurisdiction.

Will Appleton, SeaTac: What tier do the ports fall in?
Steve – The ports would be in Tier 1.
Will Appleton: As you go through the benefit analysis, SeaTac recognizes that we’ve been Tier 1 for a long time. At the end of the day, depending on how successful we are with grants, there will still be some amount that we are responsible for. Is there some understanding that with the ports that their $30 million might not be the right number?
Steve: The exact funding and match amounts can only be identified once we begin winning grants. If we don’t get the INFRA grant, there will need to be a recalculation of necessary match funds.

Will Appleton: It seems that what is being proposed will be difficult to articulate accurately in a MOU. Is it likely that we will craft something that will need to be amended?
Steve: Potentially, yes. The MOU will have to be able to address changes in the future.

Doug Levy: Will we see a contribution level range in the next couple of months?
Steve: Once the partner assessments are completed, and we begin to shape grant applications, the contribution level range will become clearer.

Rita checked-in with attendees regarding their comfort and agreement with the approach as outlined. There was consensus among the group that the approach is sound.

Rita concluded the meeting by reviewing the MOU development process. She indicated that between January and March the team will work to achieve concurrence on the specific partner tiers and roles. These commitments would then be ratified via the MOU in May or June. Then, Rita identified the primary components of the MOU as:

- Purpose and background
- Method
- Amendments/termination process
- Signatories

Dan Brewer: There is a lot of complexity and moving parts in this approach. Is it possible to have the facilitators and grant strategists participate in our local efforts? It would also be helpful to have the timing of the grant applications in the MOU.
Craig: We recognize that you have your own process to develop grant applications and we need to discuss who is made available to you as the cities work through these processes.
Steve: The Tier 1 cities are going to be the grant applicants, so there will be a lot of coordination between those cities, potential Tier 2 cities and WSDOT.

Rita concluded the meeting by identified upcoming meetings for the Program and thanked everyone for attending.