

Puget Sound Gateway Program Funding and Phasing Subcommittee Meeting Summary

Meeting Details

Meeting Date: Thursday, May 3, 2018
Meeting Time: 9 a.m. – 11:00 a.m.
Meeting Location: Fabulich Center
3600 Port of Tacoma Rd
Tacoma, WA 98424

Meeting Attendees:

Rob Andreotti, City of Puyallup
Shiv Batra, Washington State Transportation
Commission (WSTC)
Lora Butterfield, Fife Milton Edgewood
Chamber of Commerce
Brandon Carver, City of Des Moines
Bruce Dammeier, Pierce County
Josh Diekman, City of Tacoma
Sean Eagan, Port of Tacoma
Eric ffitch, Port of Seattle
Ingrid Gaub, City of Auburn
Carmen Goers, Kent Chamber of
Commerce
Reema Griffith, WSTC
Peter Heffernan, King County
Dave Hill, City of Algona
Mark Howlett, City of Milton
Pat Hulcey, City of Fife

Dave Kaplan, Consultant for Des Moines
Andrea Keikkala, Kent Chamber of
Commerce
Kurtis Kingsolver, City of Tacoma
Tim LaPorte, City of Kent
Carolyn Logue, South Sound Chamber of
Commerce Legislative Coalition
Matt Mahoney, City of Des Moines
Dick Marzano, Port of Tacoma
Kelly Peterson, City of Kent
Tom Pierson, Tacoma Pierce County
Chamber of Commerce
Bill Pugh, City of Sumner
Dana Ralph, City of Kent
Christina Schuck, City of Kent
Peter Steinbrueck, Port of Seattle
Robin Tischmak, City of Burien
Desiree Winkler, City of Federal Way

Project Team:

Brent Baker, Gateway Tolling and Finance
Ed Barry, WSDOT Toll Division
Andrew Bjorn, Berk Consulting
Rita Brogan, Independent Facilitator
Amy Danberg, Gateway Program
Communications
Steve Fuchs, SR 167 Completion Project
Steve Gorcester, Independent Grant
Strategist
Omar Jepperson, SR 509 Completion
Project

Emily Mannetti, Gateway Program
Communications
Mike Rigsby, Puget Sound Gateway
Program
Pani Salah, WSDOT Toll Division
Craig Stone, Puget Sound Gateway
Program
Karl Westby, Puget Sound Gateway
Program

Meeting Objectives:

- Review progress on key deliverables to the Legislature
- Endorse Memorandum of Understanding (MOU)

Welcome and Introductions

Craig Stone, Puget Sound Gateway Program Administrator, welcomed the group to the fourth Funding and Phasing Subcommittee meeting. Craig reviewed the agenda and facilitated introductions.

Grant Update

Steve Gorcester, Independent Grant Strategist, then provided a review of the grant focused strategy and reminded the committee of the ultimate \$130 million local funding goal. He also reviewed the progress and commitments to-date from local partners. Finally, he reviewed an overview of the grants that were submitted in March and April. Those grants included:

- Fife 70th Avenue E Bridge, FMSIB
- Kent Veterans Drive Corridor Completion, PSRC
- SeaTac Access, PSRC
- Port of Tacoma Spur, PSRC

Steve thanked the many partners that worked to get the applications reviewed and submitted on time. He noted that all applications are now in the review process.

Kurtis Kingsolver, City of Tacoma, remarked about a bullet in the MOU stating “*Support the grant effort and avoid competition with the local projects in the year of application.*” He noted that this would continue to be a concern for him, and likely other partners, as grants are an essential mix of their local funding. Rita Brogan, independent facilitator, reminded the group that the word “avoid” was added at the recommendation of the Subcommittee, but it was understood that it is likely that local partners will have their own grants to pursue.

Others echoed Kurtis’s thoughts and all agreed that the competition is acceptable, but letters of support should be written and it should be clear that Gateway applications are also a priority for our partners.

Peter Heffernan, King County, suggested that the group reach out to other jurisdictions on the PSRC RPEC regarding the projects submitted. He indicated that by educating jurisdictions outside the immediate project areas, it will be easier to discuss the grant applications in the review process.

MOU Review, Endorsement and Next Steps

Next, Rita reviewed edits to the MOU based on the Subcommittee’s feedback. She walked through each element of the MOU and highlighted where there were changes and how they were addressed.

Tim LaPorte, City of Kent, asked if it would be possible to see the changes requested by other jurisdictions. Rita stated that she would send out a version showing changes.

Tim also inquired as to how binding the MOU is and how adjustments or termination may be handled moving forward. Rita stated that the MOU is based on what we presently know, and if there are substantive changes as they relate to the Program, the MOU may be amended. She also stated that specifics between WSDOT and each jurisdiction would be outlined in a binding Interlocal Agreement (ILA) as each grant project approaches construction.

Steve further clarified that the ILA approach means that if a project never goes to construction, the local jurisdiction will never pay. He noted that the strategy of tying the local contribution directly to the project is a priority for local jurisdictions. ILAs need to be in place by the time a project goes to construction.

Tim asked that the team to circulate a draft ILA. Steve indicated that an ILA template may be provided, but that a sample ILA would not be ready in time for council and commission presentations in May and June.

Bruce Dammeier, Pierce County Executive, further clarified that he sees the MOU as the letter of intent, with the ILA as the purchase and sale agreement. The MOU is not legally enforceable, but we should not enter into it on a whim. He emphasized that this is the best path to make these investments in our infrastructure. He also said that he did not want SR 167 to be delayed by lack of agreement on SR 509 and would be prepared to go separate directions.

Matt Mahoney, City of Des Moines, asked if there would be language regarding schedule acceleration in the MOU. Craig noted that there is an amendment process in the MOU and noted between today and 2031, things will change. He also explained that Stage 1 projects are unlikely to be accelerated given their start timeframe and that if anything gets accelerated, it would likely be components scheduled in Stage 2.

Rita then asked the committee if there was general concurrence and endorsement of the MOU. The Subcommittee agreed; there were no objections.

Rita then highlighted that each Subcommittee member has a questionnaire in their packet. The questionnaire was designed to help each jurisdiction look ahead to the process of getting the MOU signed. She also indicated it provides the opportunity to let WSDOT know if support is needed through that process. She asked that attendees review the questionnaire and provide them to Emily Mannetti.

Construction and Implementation Plan

Next, Craig reviewed the progress on the Construction and Implementation Plan. He explained that through the Practical Design process, and the input and review of the Steering and Executive committees, that the Program was able to refine and define the project scope.

Now that the scope and funding strategy, through the work of the Subcommittee, is determined, WSDOT can begin drafting the plan. All of this work will culminate in submitting the Construction and Implementation Plan to the Legislature this summer. He noted that the Subcommittee will have an opportunity to review the elements of the plan prior to submitting it to the Legislature.

Schedule Acceleration

Next, Craig briefly reviewed the work underway regarding schedule acceleration. He explained that the current schedule is determined by cash flow and that the project could be delivered faster with unconstrained funding. He noted that he has made a commitment to the Secretary that any acceleration would happen within the boundaries of the Gateway Program funding. He noted that the report outlining possible schedule acceleration opportunities will be delivered in July.

Tolling

Brent Baker, Tolling and Finance for the Gateway Program, reviewed initial results from the State tolling consultant, Stantec. He explained that the traffic and revenue analysis looks at how many trips use the new facility and how toll rates, and the various toll scenarios, effect use of the facilities.

From the initial results, it appears that the Program can meet the \$180 million in toll revenue as directed by the Legislature.

Brent also explained that the results will be further refined and the team will continue to engage with the Washington State Transportation Commission (WSTC) through the rate setting process.

Peter Steinbrueck, Port of Seattle, asked if it is it explicit or presumed that the duration of tolling will end when the revenue has been collected. Craig explained that the Legislature defines the parameters of how tolling is applied. He also noted that the WSTC has responsibility for who pays, rate-setting and fiduciary responsibility to meet debt requirements. That said, the projects are designed to operate with tolling, as there is a need on these four-lane facilities to manage demand.

Bruce Dammeier, stated that on the SR 99 tunnel, the model shows a good deal of diversion from the tunnel. He asked if that would be an issue for Gateway. Craig pointed out that Gateway is building facilities that don't presently exist, so even with tolling, there is a lot of trip attraction to the new portions of the highways.

Shiv Batra, WSTC, noted that when the Commission reviews tolling, they are looking at traffic management, diversion, exemptions and many other things. There is a lot that goes into tolling new facilities. We balance Legislative direction with performance and facility benefits.

Peter Heffernon asked how transit was measured in the analysis. Brent clarified that the traffic and revenue study does not include transit vehicles, so there is no assumption in the revenue numbers that transit vehicles are paying tolls.

Kurtis Kingsolver inquired as to how tolling measures are reported out once a facility is up and running. Ed Barry, WSDOT Toll Director, indicated that once tolling commences, WSDOT comes to the WSTC with actual traffic information, revenue and performance data to make sure we're meeting our commitments. Craig further clarified that annual reports are prepared for each tolled facility so the public can also review the results.

Conclusion and Next Steps:

Craig reviewed next steps and outlined upcoming meetings. The upcoming meetings are as follows:

- Funding and Phasing Subcommittee - June 7 at SeaTac City Hall
- Steering Committee – June 27 at Fabulich Center
- Executive Committee – July 11 at Fabulich Center

Craig concluded the meeting and thanked everyone for their continued time and commitment to the Program.

The group adjourned at 10:45 a.m.