

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No. 8B
Date of Meeting April 6, 2021

DATE: March 24, 2021

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Sean Eagan, Government Affairs Director

Project Manager: Sean Eagan, Government Affairs Director

SUBJECT: Resolution of the NWSA regarding a comprehensive state transportation funding package.

A. ACTION REQUESTED

Request the Managing Members waive two readings and adopt at first reading Resolution 2021-05 urging the Washington State Legislature to work collaboratively to pass a comprehensive transportation funding package in 2021.

B. BACKGROUND

The Northwest Seaport Alliance's 2021 state legislative agenda prioritizes three transportation projects that provide critical last mile connectors to NWSA-license facilities: the Puget Sound Gateway, Phase 2 of the Interstate 5/Port of Tacoma Road Interchange and the repair of the West Seattle Bridge.

The impacts of COVID-19 are still being felt throughout Washington state. Unemployment remains high and the long-term economic impacts of the pandemic remain uncertain. Unfortunately, Washington state faced transportation funding gaps prior to the pandemic. For example, it will cost an estimated \$3.3 billion to meet a Federal Court injunction related to the removal of fish-passage barriers and to unblock 90 percent of fish habitat by 2030—money not currently identified in the transportation budget. Moreover, Washington has a significant backlog of deferred maintenance projects that threaten the reliability and safety of our transportation system. WSDOT estimates that the cost to preserve the state transportation system in a state of good repair is \$8.1 billion over the next 10 years.

Those challenges have only been exacerbated in the wake of the pandemic. The state's transportation revenue streams – including gas tax, tolling, and fees for transit agencies and the ferry system – have eroded in response to the pandemic; the state now projects a transportation budget shortfall of \$758 million for the next three years.

This shortfall could adversely impact the ability of the state complete the Puget Sound Gateway Project—a project of statewide significance— on schedule and within scope. It also leaves critical last mile connectors for products grown and manufactured in Washington state from reaching international export gateways— such as the Interstate 5/Port of Tacoma Road Interchange or the repair of the West Seattle Bridge—unfinished.

State lawmakers are considering the possibility of a comprehensive statewide transportation revenue package. That package could provide the means for ensuring the alliance three transportation priorities are addressed.

Moreover, a comprehensive statewide infrastructure package would support job creation and recovery; put people to work; move people and goods more efficiently; ensure mobility for our essential workers; enhance mobility and multi-modal options; and improve our state's economy and quality of life. It is estimated that every \$1 spent in new construction generates \$1.97 in economic activity; increases earning by 54 cents for all households, not just those employed in construction; supports nearly 11 additional jobs across the economy; and every \$1 invested in public transportation generates approximately \$4 in economic returns.

C. PROJECT DESCRIPTION AND DETAILS

To address these issues, Resolution 2021-05 urges the Washington State Legislature to work collaboratively to pass a comprehensive transportation funding package in 2021.

D. ATTACHMENTS TO THIS REQUEST

- Attachment 1— Resolution No. 2021-05
- Attachment 2—Joint letter of support for the Puget Sound Gateway
- Attachment 3—Joint letter of support for the Interstate 5/Port of Tacoma Road Interchange
- Attachment 4—Joint letter of support for the West Seattle Bridge



RESOLUTION NO. 2021-05

A RESOLUTION OF THE NORTHWEST SEAPORT ALLIANCE REGARDING A COMPREHENSIVE STATE TRANSPORTATION FUNDING PACKAGE

WHEREAS, the impacts of COVID-19 are still being felt throughout our communities. Unemployment remains high and the long-term economic impacts of the pandemic remain uncertain; and

WHEREAS, our state faced transportation funding gaps prior to the pandemic and those challenges have only been exacerbated in the wake of the pandemic, with disproportionate impacts on low-income communities and communities of color; and

WHEREAS, the state's transportation revenue streams – including gas tax, tolling, and fees for transit agencies and the ferry system – have eroded in response to the pandemic; and

WHEREAS, the state now projects a transportation budget shortfall of \$758 million for the next three years; and

WHEREAS, this shortfall could adversely impact the ability of the state complete the Puget Sound Gateway Project—a project of statewide significance—on schedule and within scope; and

WHEREAS, this shortfall leaves critical last mile connectors for products grown and manufactured in Washington state from reaching international export gateways—such as the Interstate 5/Port of Tacoma Road Interchange or the repair of the West Seattle Bridge—unfinished; and

WHEREAS, Washington has a significant backlog of deferred maintenance projects that threaten the reliability and safety of our transportation system. WSDOT estimates that the cost to preserve the state transportation system in a state of good repair is \$8.1 billion over the next 10 years; and

WHEREAS, it will cost an estimated \$3.3 billion to meet a Federal Court injunction related to the removal of fish-passage barriers and to unblock 90 percent of fish habitat by 2030; and

WHEREAS, a comprehensive statewide infrastructure package will support job creation and recovery; put people to work; move people and goods more efficiently; ensure mobility for our essential workers; enhance mobility and multi-modal options; and improve our state's economy and quality of life; and

WHEREAS, every \$1 spent in new construction generates \$1.97 in economic activity; increases earning by 54 cents for all households, not just those employed in construction; supports nearly 11 additional jobs across the economy; and every \$1 invested in public transportation generates approximately \$4 in economic returns; and

WHEREAS, a delay in action will mean projects will be shelved, stifling the progress begun through the 2015 Connecting Washington package and resulting in less economic activity, more job losses, and a further deteriorating of our transportation system; and

WHEREAS, the Washington Legislature should take action to stimulate equitable economic recovery, not cause further harm;

NOW, THEREFORE, BE IT RESOLVED BY THE MANAGING MEMBERS OF THE NORTHWEST SEAPORT ALLIANCE THAT: to address all these issues, support the full reopening of our economy, spur economic activity, and support local job creation, The Northwest Seaport Alliance urges the Washington State Legislature to work collaboratively to pass a comprehensive transportation funding package in 2021.

ADOPTED by a majority of the members of The Northwest Seaport Alliance at a regular meeting held on the 6th day of April 2021, a majority of the members being present and voting on this resolution and signed by its Co-Chairs and attested by its Co-Secretaries under the official seal of said Managing Members in authentication of its passage this ___ day of _____, 2021.

draft

Fred Felleman, Co-Chair
The Northwest Seaport Alliance

Richard Marzano, Co-Chair
The Northwest Seaport Alliance

ATTEST:

Sam Cho, Co-Secretary
The Northwest Seaport Alliance

Deanna Keller, Co-Secretary
The Northwest Seaport Alliance



January 27, 2021

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

Thank you for your leadership in stewarding our state's transportation investments. We appreciate the unprecedented challenges you face concerning the COVID-19 pandemic, and we understand that difficult decisions will need to be made in the months to come. Yet, as you confront the tough budget choices ahead, we ask that you continue to prioritize the Puget Sound Gateway project. We believe this project will benefit our state's recovery by enhancing the underlying economic strength of the region.

We also wish to share our strong concerns with the decision by the Office of Financial Management and the Washington State Department of Transportation to freeze the State Route 167 Stage 1B project (I-5 to SR-509). That project, which had already issued its request for qualifications, was scheduled to issue its request for proposal in early March.

In 2015, the state made the historic decision to put an end to 40+ years of planning and waiting by funding the Puget Sound Gateway project in the *Connecting Washington* statewide transportation package and by promising to complete state routes 167 and 509. Along with its significant jobs benefits, this project will improve safety and address environmental issues associated with habitat, stormwater and emissions from traffic congestion. This is why 165 business, labor, agriculture, and civic organizations; local governments; and tribal nations supported inclusion of the project in *Connecting Washington*. (See attached list)

The Gateway Project has gained critical momentum in the last five years. The Legislature in 2019 authorized tolling for the project and accelerated construction by 25% -- a decision supported by the Project's stakeholders (Please see attached 1-pager supporting this effort). Earlier this year, the U.S. Department of Transportation awarded Washington a \$73.6 million federal Infrastructure for Rebuilding America (INFRA) grant. To date 88% of the local match commitments have been secured, with a well-defined plan by the Washington State Department of Transportation for securing the remaining dollars. Delays in the project by OFM or by the Legislature could put this funding in jeopardy. Further, at the very time the Legislature is focused on economic recovery and environmental gains in crafting its transportation investment packages, it is simply counter-productive to 'pause' this vital project.

Moreover, project delay could adversely impact the supply chain. We would note that while there has been a reduction in transportation revenue across many categories of funding because of remote work and social distancing, diesel tax revenue has remained relatively stable. This is because freight is still moving—carrying essential goods, emergency supplies and products grown and manufactured around the state to market. Whether consumers buy something from a store or on-line, the delivery of the product still relies on a healthy supply chain and effective freight corridors.

Finally, we would note that SR 509 Phase 1B has already been awarded. The *Connecting Washington* package—and existing transportation budget—presumes a balanced investment portfolio in both the SR 509 and SR 167 corridors as part of the Puget Sound Gateway program. The current delay in SR 167 disrupts that balance.

We respectfully request your ongoing commitment to— and high prioritization of—the Puget Sound Gateway. We look forward to our continued partnership in seeing both SR 167 Phase 1B and the overall Puget Sound Gateway project of statewide significance come to completion.

Sincerely,

American Waterways Operators
Association of Washington Business
Auburn Area Chamber of Commerce
Brown and Haley
City of Buckley
City of Burien
City of Des Moines
City of Edgewood
City of Fife

City of Lakewood
City of Milton
City of Orting
City of Puyallup
City of SeaTac
City of Sumner
City of Tacoma
City of Tukwila
City of University Place

Customs Brokers & International Freight
Forwarders Association of Washington
State
Domex Superfresh Growers
Economic Development Board of Tacoma-
Pierce County
Fife, Milton, Edgewood Chamber of
Commerce
Freight Mobility Strategic Investment Board
Laborers Local 252
Greater Seattle Partners
Macmillan-Piper
Master Builders Association of Pierce
County
Newland
Northwest Marine Trade Association
Operating Engineers Local 612
Pacific Merchant Shipping Association
Pacific Northwest Waterways Association
Pierce County
Pierce County Building Trades
Pierce County Central Labor Council
Pierce County Regional Council
Port of Seattle
Port of Tacoma
Puyallup Sumner Chamber of Commerce

Regional Access Mobility Partnership
Seaport Sound Terminal
Seattle Southside Chamber of Commerce
South Sound Chamber of Commerce
Legislative Coalition
South Sound Manufacturing Industrial
Council
Southern Glazer's Wine and Spirits
Tacoma Pierce County Association of
Realtors
Tacoma-Pierce County Chamber
Tacoma Public Schools
Tacoma Public Utilities
The Northwest Seaport Alliance
TOTE Maritime
TTSI
Washington Asphalt Pavement Association
Washington Council on International Trade
Washington Farm Bureau
Washington Maritime Federation
Washington Movers Conference
Washington Public Ports Association
Washington State Potato Commission
Washington State Tree Fruit Association
Washington Trucking Association
WestRock

Cc: Senate Transportation Committee Members
House Transportation Committee Members
House Speaker Laurie Jenkins
Senate Major Leader Andy Billig
Senate Minority Leader John Braun
House Minority Leader J.T. Wilcox
Members of the King County state legislative delegation
Members of the Pierce County state legislative delegation
WSDOT Secretary Roger Millar



February 5, 2021

Senator Jeannie Darnelle
Rep. Laurie Jinkins
Rep. Jake Fey

Senator Chris Gildon
Rep. Kelly Chambers
Rep. Cyndy Jacobsen

RE: Port of Tacoma Road Interchange – Phase II

Dear 27th and 25th Legislative District Lawmakers:

Thank you for your ongoing leadership in advocating for the transportation needs of Pierce County, most notably, the completion of State Route 167. We are writing to highlight one other local project of mutual benefit to both the 27th and 25th legislative districts that compliments SR-167—the Port of Tacoma Road Interchange, Phase II. We respectfully request that as you fill out your list of highway and freight mobility projects, you include \$35 million for this project, which is vital not only to freight and goods movement but to the overall operation of the Interstate 5 mainline system.

In the 2015 Connecting Washington package, you provided funding for the Phase I portion of the Port of Tacoma Road Interchange, which focused on the roadway improvements that helped to dramatically reduce queueing on Port of Tacoma Road coming in and out of the Port complex. That project, with your help, opened last December.

Phase II of the project is perhaps even more important, as it involves the building of ramps and improvements at or near the I-5 mainline to help freight and good deliveries move seamlessly into and out of the Port. It also improves traffic conditions on I-5 for travelers which, in turn helps reduce air pollution, making all of the State of Washington a beneficiary of this project. For your background, we have attached a color-coded map of the project, with the completed Phase I improvements depicted in blue and the Phase II work shown in red.

As lawmakers consider possible transportation packages, we want to make two other key points regarding the importance of the Port of Tacoma Road Interchange, Phase II, which was *included* in prior year *Forward Washington* project lists put forth by the Senate:

- 1) First, this project is vital to freight movements in and out of the Port of Tacoma both *before* SR 167 is completed, as well as *after*, since there will be certain gates within the Port complex where Port of Tacoma Road remains a preferred corridor of entry.
- 2) We can't emphasize enough the jobs and economic value of improving routes for freight. Manufacturing on the Tacoma Tidelands, and marine cargo flowing through marine cargo

terminals at the Port, support more than 42,100 family wage jobs and produce more than \$100 million in state and local tax revenue every year, supporting education, police and fire services, social services and road improvements.

Thank you again for your work on transportation, and for your consideration of including the Port of Tacoma Road Interchange, Phase II in transportation packages the Legislature may craft.

Sincerely,



Commissioner Dick Marzano
President, Port of Tacoma Commission
NWSA Co-Chair



Kim Roscoe, Mayor
City of Fife



Commissioner Fred Felleman
President, Port of Seattle Commission
NWSA Co-Chair

cc: The Honorable Steve Hobbs, Chair, Senate Transportation Committee
The Honorable Curtis King, Ranking Member, Senate Transportation Committee
The Honorable Andrew Barkis, Ranking Member, House Transportation Committee



August 19, 2020

Senator Steve Hobbs
Chair
Senate Transportation Committee
Washington State Legislature

Rep. Jake Fey
Chair
House Transportation Committee
Washington State Legislature

Senator Curtis King
Ranking Member
Senate Transportation Committee
Washington State Legislature

Rep. Andrew Barkis
Ranking Member
House Transportation Committee
Washington State Legislature

Dear Transportation Committee Chairs and Ranking Members:

Thank you for your leadership in stewarding our state's strategic interest and role as a trade gateway, with the tens of thousands of agricultural, manufacturing and maritime jobs that rely on it. We appreciate that you now face a myriad of unprecedented challenges as the state looks to beat the COVID-19 pandemic spread while simultaneously rebuilding and recovering from the harm it has done

to our economy. Given these pressures, we regret the need to highlight a slow-moving emergency that deeply impacts our state's economy—the West Seattle Bridge closure.

The broad coalition of organizations represented here reflect the breadth of what is at stake and the statewide importance of the West Seattle Bridge transportation corridor. We ask the state, in partnership with the City of Seattle, to urgently develop a plan to address the corridor and to include it in the next statewide transportation package.

The West Seattle Bridge transportation corridor sits at a critical point in our nation's transportation network, adjacent to the Burlington Northern Santa Fe's northernmost transcontinental rail line, the western terminus of Interstate 90 and Interstate 5—corridors connecting Seattle to points as far south as California and east as Illinois. The U.S. Coast Guard makes its northwest home close to the bridge corridor. International cargo businesses have headquarters just off its exit ramps. Companies serving as a lifeline for the citizens of Alaska and Hawaii sit upstream of the bridge on the Duwamish Waterway. In 2019, marine terminals managed by The Northwest Seaport Alliance together shipped nearly 717,000 twenty-foot-equivalent units (TEUs) of containerized cargo to and from Alaska, Hawaii and other domestic locations, accounting for 90% of the goods consumed by Alaskans.

The bridge failure potentially puts at grave risk the largest public investment ever made by the combined ports of Tacoma and Seattle—The Northwest Seaport Alliance's Terminal 5—adjacent to the WSB. When this international container terminal is complete, it will provide one of the best intermodal facilities to some of the largest cargo vessels on the West Coast. The national significance of this project has been acknowledged by companies and organizations located in thirteen states, who sent letters to the United States Department of Transportation in support of a federal grant to modernize Terminal 5. Not only does this investment represent consensus between these two trade-driven governments, but reflects a substantial partnership with private industry, as private investors are contributing significant funding to the modernization effort as well.

Beyond modernized terminals, investment in the transportation network serving these international container terminals is vital to maintain our gateway's global competitiveness and critical to the entire state's economic future. Current estimates project that with a modernized Terminal 5 on Seattle waterfront's freight assets, 2050 containerized cargo flows would directly support 28,000 jobs, \$8.7 billion in business output, and \$48.1 million in state tax payments. Cumulatively, between 2018 and 2050, total state tax payments would total nearly \$1.2 billion from direct cargo activities and \$5.1 billion when other multiplier effects are considered. At a time of economic downturn and job loss due to the health pandemic, we cannot put at risk the opportunity to expand trade, restart the statewide economy, and grow living-wage jobs throughout the region.

State investment into restoring this critical piece of regional infrastructure—along with federal and local dollars— must be viewed through the lens of economic recovery. This region was built as a gateway supporting, first, trade to Alaska and then to the entire world. Maintaining Washington's role as an export leader, an import hub, a regional connector and a freight leader means committing resources to the West Seattle Bridge transportation corridor.

We share this information to emphasize the statewide and regional importance of the West Seattle Bridge transportation corridor. We call on the state to work with the city to urgently develop a plan for addressing the issue and urge its inclusion in the next statewide transportation package.

Sincerely,

Adell Apartments	King County
AgTC	Lamb Weston
Alki Kayak Tours	Longley Property Management, Inc.
Alliance for Pioneer Square	Manufacturing Industrial Council
American Pulse Association	Marine Engineers' Beneficial Association
American Seed Trade Association	Marine Exchange of Washington
American Waterways Operators	Maviga
Apersand	Meeples Games
Anderson Hay	MLK Labor Council
ArtsWest Playhouse and Gallery	nFormatTech
Blue Plate Digital	Nippon Dynawave Packaging Co.
Brand Pride	Nucor Steel Seattle
Braseth Construction	Pacific Coast Council of Customs Brokers and Freight Forwarders Associations
Chalkbox Creative	Pacific Coast Financial Services
City of Seattle	Pacific Maritime Association
Coalition for America's Gateways and Trade Corridors	Pacific Merchant Shipping Association
Coalition of New England Companies for Trade Customs Brokers & International Freight Forwarders Association of Washington State	Pacific Northwest Waterways Association
Deep Sea Fisherman's Union	Pigeon Point Neighborhood Council
De Vrieze Carney Law	Port of Seattle
Eldercare Consulting	Puget Sound Maritime Trades Council, AFL-CIO
Freight Mobility Strategic Investment Board	Puget Sound Metal Trades Council, AFL-CIO
Georgetown Merchants Association	Puget Sound Regional Council
GSBA: Washington's LGBTQ Chamber	Quail Park Memory Care
Hapag-Lloyd	Ray-Mont Logistics
Honey Girl Books and Gifts	REI
ILWU Washington Area District Council	Retail Industry Leaders Association
Inlandboatmen's Union of the Pacific	Row House
International Brotherhood of Teamsters Local 174	Sailors' Union of the Pacific
International Organization of Masters, Mates and Pilots - Offshore Division	SanMar
International Union of Operating Engineers Local 302	SB&B
Jerome O. Cohen, Attorney at Law	Seattle Building Trades Unions
Kettle Fish	Seattle Bulk Shipping
	Seattle Marine Business Association
	Seattle Metropolitan Chamber of Commerce
	Seattle Propeller Club
	Seattle Sports Complex
	SODO Business Improvement Area

Sound Painting Solutions
Spa Phoebe
Specialty Soybean and Grains Alliance
SSA Marine
State Farm
The Northwest Seaport Alliance
Tom's Automotive
Transportation Institute
United Transportation Union/SMART
Transportation Division
USA Dry Pea & Lentil Council
Ventana Construction
Verity Credit Union
Washington Council on International Trade

Washington Farm Bureau
Washington Maritime Federation
Washington Retail Association
Washington State Hay Growers Association
Washington State Labor Council
Washington State Potato Commission
Washington Trucking Associations
West 5
West Seattle Chamber of Commerce
West Seattle Food Bank
West Seattle Junction Association
Windermere Real Estate
Zelda Zonk Consignment

Cc: Governor Jay Inslee
House Speaker Laurie Jinkins
Senate Major Leader Andy Billig
Senate Minority Leader Mark Schoesler
House Minority Leader J.T. Wilcox
Senate Transportation Committee Members
House Transportation Committee Members
Members of the King County state legislative delegation
Members of the Pierce County state legislative delegation
WSDOT Secretary Roger Millar
Commerce Director Lisa Brown



Item No.: 8B
Date of Meeting: April 6, 2021

Resolution 2021-05

Sean Eagan
Government Affairs Director

Action Requested

Request the Managing Members waive two readings and adopt at first reading Resolution 2021-05 urging the Washington State Legislature to work collaboratively to pass a comprehensive transportation funding package in 2021.

