

**BOARD OF COMMISSIONERS
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON**

COMMISSIONERS PRESENT

1. Don Meyer, President
2. Don Johnson, Secretary
3. John McCarthy, 1st Assistant Secretary
4. Dick Marzano, 2nd Assistant Secretary

STAFF PRESENT

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Sean Eagan, Director, Government Affairs
4. Scott Francis, Director, Real Estate
5. Rob Healy, Sr. Project Mgr., Environmental Quality
6. Tong Zhu, Commercial Officer
7. Judi Doremus, Executive Assistant
8. Juliet Campbell, Clerk of the Port

COMMISSIONERS EXCUSED

1. Clare Petrich, Vice President
(excused from Public Commission Meeting, appeared telephonically for Executive Session)

3:00 P.M.: EXECUTIVE SESSION

1. CALL TO ORDER:

Commissioner Meyer called the Commission Meeting to order at 3:00 p.m. and then recessed into Executive Session for approximately two hours. Commissioner Petrich attended telephonically.

2. RECESS INTO EXECUTIVE SESSION:

- A. Four (4) Litigation/Potential Litigation Items: RCW42.30.110(1)(i)
- B. One (1) Real Estate Purchase Item: RCW 42.30.110(1)(b)

No decisions were made and no votes were taken.

5:00 P.M.: COMMISSION MEETING

1. RETURN TO ORDER:

Commissioner Meyer reconvened the Commission Meeting at approximately 5:05 p.m. and a flag salute was performed. Commissioner Petrich who had appeared telephonically for Executive Session was excused.

2. CONSENT AGENDA:

- A. Minutes of April 19, 2018
- B. Check/Wire Certification: Approve the payment of checks 218348 through 218702 and wire transfers in the total amount of \$17,929,605.36 during the period April 7, 2018 through May 4, 2018.

Motion was made by Commissioner Johnson, seconded by Commissioner Marzano:

“Approve the Consent Agenda with the exception of check #00218348 in the amount of \$120,000 listed in the Check/Wire certification, which is to be voided.”

Discussion Included:

1. Commissioner McCarthy requested greater detail in the description of the check/wire report if possible. Staff will attempt to anticipate entries that the Commission may question and offer further description.

VOTE: MOTION CARRIED 4-0

3. PUBLIC COMMENT:

Hartleigh Caine, Vice President of Operations, TOTE Maritime Alaska. TOTE is committed to the environment and reducing its impact on the environment. It remains committed to converting all of its engines to run on liquified natural gas (LNG). Ms. Caine provided an update to the Commission on the conversion timeline of the North Star and Midnight Sun.

David Mills, Sr. Vice President for Policy and Energy Supply, Puget Sound Energy (PSE).

PSE is committed to completing the LNG facility in the Port of Tacoma. The adjusted timeline for the TOTE conversion aligns well with the anticipated completion date. In addition to moving maritime vessels off diesel and bunker fuel, LNG is critical to meet the growing demand for natural gas used by PSE’s retail customers. Though disappointed by the delay put upon PSE by the Puget Sound Clean Air Agency (PSCAA), PSE will continue to work with them and other agencies toward a completion date of late 2020.

The LNG facility is a critical piece to keep natural gas flowing to the 1.5 million homes and businesses in PSE's service territory. Currently, all natural gas in the service area comes from a single pipeline running from British Columbia to Oregon. There is no backup. This gas transmission pipeline will be insufficient by 2020-2021 to meet the demand creating a potential risk to public safety.

4. BUSINESS BRIEFINGS:

A. Q1 Review: CEO Goals and Expectations

Presented by John Wolfe, CEO

Discussion Included:

1. At the April Commission meeting, staff provided Commissioners with a packet of information around the Port of Tacoma's performance goals and expectations for 2018. It was a first quarter update. It was agreed to come back before the Commission to address any questions or comments of the Commission.
2. Commissioner Meyer would like staff to keep the Commission informed on Tacoma Fire Station 5 and road improvements along Taylor Way as it relates to the PSE LNG facility project.

5. ACTION AGENDA:

A. 2005 Subdivision of property at 1840 Marine View Drive

Presented by Scott Francis, Director, Real Estate

Motion was made by Commissioner Marzano, seconded by Commissioner Johnson:

"Approve the 2005 conveyance of a former portion of the property located at 1840 Marine View Drive, also known as Pierce County Tax Parcels 0321361039 and 0321362038 by Jesse Engineering Company to General Metals of Tacoma, Inc. subject to the presented conditions, restrictions and remedies on the remaining 1840 Marine View Drive property that shall run with the land."

Discussion Included:

1. Elements that qualify real estate discussions for Executive Session were discussed.
2. Jesse Investments, LLC is in the process of selling this property under a sale-leaseback arrangement. Closing has been delayed due to a cloud on title caused by the 2005 conveyance of a portion of the property conveyed by Jesse Engineering Company to General Metals of Tacoma, Inc. without the Port's prior approval which was required by deed restriction.
3. The sale of the property is required to keep Jesse Engineering Company's performance bonds, lines of credit and operating accounts in place. Jesse Engineering is a 40-year old Tacoma business that employs approximately 100 people in Tacoma and supports many local subcontractors and suppliers of services.
4. Conditions, restrictions and remedies on the remaining 1840 Marine View Drive property, that shall run with the land are:
 - Any owner of the Property shall not re-sell less than all of the Property without the prior written consent of the Port of Tacoma.
 - The property will be used only for Industrial purposes. Residential uses are specifically prohibited.
 - The Port of Tacoma shall have a continuing right of first refusal on the property

The deed restrictions reflect the Commission's role as an economic development entity to ensure that property continues to function for economic development, in this case, an industrial property.

VOTE: MOTION CARRIED 4-0

B. Parcel 91 Former Brown and Haley Settlement Agreements

Presented by Rob Healy, Sr. Project Manager, Environmental

Motion was made by Commissioner Johnson, seconded by Commissioner Marzano:

"Authorize the CEO or his delegate to execute:

1. **A settlement agreement with Sound Mattress, whereby Sound Mattress pays the Port of Tacoma a lump sum of \$3,400,000, and the Port agrees to undertake all responsibility for further environmental investigation, cleanup, and remedial action at the Site (Port property Parcel 91); and**
2. **A partial settlement and interim cost-sharing agreement with Wyeth, whereby Wyeth pays the Port of Tacoma a lump sum of \$1,500,000 and the Port and Wyeth agree to cooperatively participate in the further environmental investigation, cleanup, and remedial action at the Site (Port property Parcel 91)."**

Discussion Included:

1. The Port purchased property from Sound Mattress. Under the purchase and sale agreement, Sound Mattress indemnified the Port for past contamination up to their insurance limits.
2. Mr. Healy provided a description of the contaminants discovered on the property and the associated cleanup activity.

3. In 2015 the Port submitted a \$1,900,000 claim against Sound Mattress and their insurance company to recoup the environmental liability costs. The claim was not paid and settlement negotiations were unproductive. The Port filed suit in 2016 against Sound Mattress and Wyeth as successor to Washington Steel (the entity that owned the property prior to Sound Mattress).
4. In January of 2018 they agreed to mediate. Mediation was successful leading to the settlement agreements proposed. Mr. Healy provided details of the terms of the two agreements.
5. Commissioner Johnson asked why in the Sound Mattress proposed agreement, the Port agrees to take on all responsibility for future environmental investigation, cleanup and remedial action at the site but not in the proposed Wyeth agreement. Mr. Healy explained that the PCB contamination on the building and the solvent issue were primarily due to Wyeth. The insurance limitation of the indemnification clause of the purchase and sale agreement with Sound Mattress was also a consideration.

VOTE: MOTION CARRIED 4-0

C. Puget Sound Gateway Local Funding and Phasing MOU

Presented by Sean Eagan, Director, Government Affairs

Motion was made by Commissioner Johnson, seconded by Commissioner Marzano:

“Authorize the CEO or his designee to sign a Memorandum of Understanding pertaining to local participation in the Puget Sound Gateway with the Washington State Department of Transportation and other local project stakeholders.”

Discussion Included:

1. The Puget Sound Gateway Project is part of the Connecting Washington Package approved by Governor Inslee and the state legislature in 2015. The Puget Sound Gateway Project has two key items – the completion of SR509 in King County, and the completion of SR167 in Pierce County.
2. SR167 was conceptualized in the 1960s, designed in the 1970s. Construction began in the 1980s until 1989 when there was no longer funding. The current route runs from Renton through Kent, Auburn and Sumner and dead ends in Puyallup. The Port has been working for the past 25 years to be able to get the remaining six miles completed. The Connecting Washington Package sets up a pathway to being able to complete this.
3. Gateway Funding was discussed including funding from the state, possible toll revenue, federal grants, and, in particular, the \$130M local contribution.
4. Engrossed Senate Bill 5096 §306(20)(b) directed the secretary of transportation to develop a memorandum of understanding (MOU) with local project stakeholders that identifies a schedule for stakeholders to provide local matching funds for the Puget Sound Gateway project by July 1, 2018.
5. The Washington State Department of Transportation (WSDOT) sat down with the Puget Sound Gateway Executive Committee (Commissioner Marzano is the Port representative on that committee) and they formed a local funding subcommittee. Those elected leaders began to negotiate the MOU presented today. The MOU is not legally binding, but sets up the roadmap of how to get to the bi-lateral Interlocal Agreements (ILAs) between WSDOT and individual jurisdictions to provide the local match.
6. Local Nexus Projects are defined in the MOU as projects within the Gateway Program that provide clear and measurable benefits to local jurisdictions. This allows local agency partners to focus on the parts of the program that are most relevant to their jurisdiction and focus their funding on those projects. Examples were presented. Local Nexus projects are portions of projects already part of the overall scope and not additive.
7. A project schedule was provided as was a financial summary of what the future ILAs may look like.
8. Craig Stone, Program Administrator Puget Sound Gateway Program – WSDOT, provided an explanation of the anticipated payment structure. State will administer and pay for the contract and invoice back to the Port.

VOTE: MOTION CARRIED 4-0

D. Commission International Travel – July 1 through December 31, 2018

Presented by Tong Zhu, CCO

Motion was made by Commissioner McCarthy, seconded by Commissioner Johnson:

“Authorize the proposed Commission International Travel Schedule for July 2018 through December 2018 as potential travel.”

Discussion Included:

1. Three events were brought before the Commission in addition to customer visits:
 - a) Trans-Pacific Maritime (TPM) Asia Conference – Shenzhen, China

Approved

b) Trade Development Alliance (TDA) Trade Mission – Hong Kong and Shenzhen

Approved

c) American Association of Port Authorities (AAPA) Annual Convention – Valparaiso, Chile

Approved

2. Ms. Zhu recommended the TPM Asia Conference as it is an industry focused conference that brings together carriers, terminal operators, customers, and other supply chain stakeholders. She also recommends building customer visits around this trip.
3. Although the TDA Trade Mission is valuable, TPM is more industry specific and perhaps presents higher value to the Commission. TDA has not identified a specific focus beyond trade and inbound investment.
4. Commissioner Johnson supports the TPM Asia Conference travel and customer visits. Without further information on the focus of the TDA Trade Mission and the AAPA Annual Convention he does not support approving these trips.
5. Commissioner Meyer offered a point of clarification that by authorizing the travel, the Commission is not committing to the travel and can evaluate the value of traveling when there is further information available.

VOTE: MOTION CARRIED 3-1

Commissioner Johnson: Nay

Commissioner McCarthy: Aye

Commissioner Marzano: Aye

Commissioner Meyer: Aye

Commissioner Petrich: *Excused, not present for vote.*

6. GENERAL BUSINESS:

A. CEO Announcements, Events and Recognition.

1. Rod Koon, Port of Tacoma Sr. Manager Communications, was honored by the Tacoma Propeller Club at their maritime luncheon. He was presented with the Master Mariner Award for his many years of service to the maritime community and economic development of Pierce County.
2. Representatives of the Port's Maintenance and Human Resources participated in the Puyallup Tribal Career Fair to promote career opportunities in the Tideflats.
3. Port biologist Jen Stebbins lead the Port's semi-annual nature walks. There were 50 constituents who participated. Joe Barrentine from the Port's Communications Department worked with the guests to produce wildlife photographs.
4. The Port will host its first farmers market booth of the year at the Broadway Farmers Market in Tacoma on May 31, 2018.
5. CEO Wolfe thanked the Commissioners for their community outreach efforts in the various neighborhood councils and service clubs.

7. COMMISSIONER COMMENT:

Commissioner Marzano: Attended the Washington Public Ports Association (WPPA) Spring Meeting. He also attended the maritime luncheon where Mr. Koon was honored. Commissioner Marzano recognized Mr. Koon as leader. He complemented Mr. Koon's presentation on the evolution of the Port.


Commissioner Johnson: Congratulated Mr. Koon and thanked him for his efforts.

Commissioner McCarthy: Recognized Mr. Koon's 35 years of service to the Port and his well-deserved recognition. Commissioner McCarthy will serve on the Urban Waters Advisory Board. He toured the Urban Waters building and met with Joel Baker. Commissioners participated in a transition meeting to discuss the Northwest Seaport Alliance and attended the Peak Planning meeting. He highlighted the May 14, 2018 meeting with the Puyallup Tribe and City of Fife. He shared that he attended the Puyallup Tribe's First Fish ceremony on the Puyallup River. Lastly, he reported that there is a proposal to adjust the harbor lines on the Foss Waterway. The Port owns some property in and near the Foss Waterway. He is meeting with the paddlers, the Foss Waterway Association and marina operators to discuss the proposed adjustments.

Commissioner Meyer: Mr. Koon is the most appropriate person to speak to the Port's history and he reflects the spirit and values of the Port of Tacoma. Commissioner Meyer would like to extend a formal letter of thanks to Connie McCloud, Culture Director of the Puyallup Tribe for presenting at the May 14, 2018 Joint City of Fife and Port of Tacoma Study Session and make certain that the Port make an offer in terms of working with the Tribe on its Canoe Journey.


8. **ADJOURNMENT:**

There being no further business, President Meyer adjourned the meeting at 6:24 p.m.




Donald G. Meyer, President
Port of Tacoma Commission

ATTEST:



Donald C. Johnson, Secretary
Port of Tacoma Commission



Juliet Campbell, Clerk of the Port
Port of Tacoma

PORT OF TACOMA COMMISSION BRIEFING

DATE: May 17, 2018
TO: Port Commission
FROM: Sean Eagan, Government Affairs Director
CC: John Wolfe, Judi Doremus
SUBJECT: FOURTH DRAFT PUGET SOUND GATEWAY LOCAL MATCH MOU

Attached is a fourth draft to the Puget Sound Gateway Local Match Memorandum of Understanding that you will consider at today's Commission meeting. Port staff only received this draft this afternoon at 3:00 p.m.

The draft contains:

- Technical edits (e.g. grammar, name changes of signatories etc.)
- Additional information on intended financial contributions by other project stakeholders.

The draft does not appear to contain substantive changes from the version that was provided in your meeting packet.

Should you choose to do so, you would be authorizing John Wolfe to sign this fourth draft of the MOU on the behalf of the Port of Tacoma.

Puget Sound Gateway Program SR 167 and SR 509 Completion Projects

Local Funding and Phasing Memorandum of Understanding

1. Participating Parties

In addition to the Washington State Department of Transportation (WSDOT), the following Local Agency Partners constitute those parties currently participating in this Memorandum of Understanding pertaining to the local contribution requirement for the Puget Sound Gateway Program (Gateway Program):

- Port of Seattle
- Port of Tacoma
- King County
- Pierce County
- City of Algona
- City of Auburn
- City of Des Moines
- City of Edgewood
- City of Federal Way
- City of Fife
- City of Kent
- City of Milton
- City of Pacific
- City of Puyallup
- City of SeaTac
- City of Sumner
- City of Tacoma

2. Background and Purpose of MOU

In July 2015, the Washington State Legislature and Governor Inslee acted to fund the Gateway Program through the Connecting Washington revenue package. The Gateway Program is comprised of two projects: the State Route 167 Completion Project and the State Route 509 Completion Project. These projects provide essential connections to the ports of Tacoma and Seattle and will help ensure that people and goods move more reliably through the Puget Sound region.

WSDOT is the lead project sponsor and is responsible for the planning, design and construction of the Gateway Program, as well as for its overall financial management. The program has been guided from its beginning by a Joint SR 167/SR 509 Executive Committee (Executive Committee), comprised of elected and appointed representatives of local jurisdictions served by the Gateway Program (Algona, Auburn, Burien, Des Moines, Edgewood, Federal Way, Fife, Kent, Milton, Pacific, Puyallup, SeaTac, Sumner, Tacoma, King County, Pierce County, Port of Seattle, and Port of Tacoma) as well as Federal Highway Administration, Washington State Transportation Commission, Washington State Department of Transportation, Puget Sound Regional Council, Sound Transit, Pierce Transit, and the Freight Mobility Strategic Investment Board.

Funding for the ~~Puget Sound~~ Gateway Program has been approved to come from the state gas tax, tolls, local contributions, and potential federal and state grants. Total funding for the Gateway Program, from the 2015 Connecting Washington transportation funding package, is \$1.875 billion, which includes local contributions of \$130 million. The program has been funded

over a 16-year timeline. Based on the legislative funding plan, major construction for a first stage would occur from 2019 through 2025, and a second stage from 2026 through 2030. Local contributions will be needed to construct both stage one and stage two projects.

In the 2017 Legislative session new language was enacted (Engrossed Senate Bill 5096 § 306(20)(b)) requiring development of a Memorandum of Understanding (MOU) between the Local Agency Partners and WSDOT. The legislature directed that:

The secretary of transportation must develop a memorandum of understanding with local project stakeholders that identifies a schedule for stakeholders to provide local matching funds for the Puget Sound Gateway project. Criteria for eligibility of local match includes matching funds and equivalent in-kind contributions including, but not limited to, land donations. The memorandum of understanding must be finalized by July 1, 2018. The department must submit a copy of the memorandum of understanding to the transportation committees of the legislature and report regularly on the status.

To this end, the Executive Committee of the ~~Puget Sound~~ Gateway Program convened a Funding and Phasing Subcommittee (Subcommittee) to develop a MOU that summarizes their planned future commitments and planned timing of those commitments to contribute to the SR 167 and SR 509 projects.

The Subcommittee goals include:

- Support efforts to build the Gateway projects on or ahead of schedule
- Create successful local partnerships
- Obtain sufficient local funding to build the Puget Sound Gateway projects
- Time grant-funding projects to support the project delivery schedule

The construct of local funding participation, when authorized by the legislative bodies of the relevant agencies through a series of forthcoming interlocal agreements, is based on the following projections:

	SR 167	SR 509	TOTAL
Port contributions	\$30 million	\$30 million	\$60 million
Federal INFRA grant	\$10 million	\$10 million	\$20 million
Local agency partner match	\$10 million	\$10 million	\$20 million
Other Grants (PSRC, FMSIB, TIB)	\$20 million	\$10 million	\$30 million
Total	\$70 million	\$60 million	\$130 million

3. Local Funding Strategy

A key element of the local funding strategy is to identify projects within the Gateway Program that provide clear and measurable benefits to local jurisdictions. In the Gateway Program, these are called "Local Nexus Projects," designed to:

- Create a positive business case for Local Agency Partners by focusing on the parts of the program that are most relevant and important to local jurisdictions
- Leverage the potential to access significant grant funding to support local funding assumptions

In support of the local funding strategy, Local Agency Partners shall:

- Participate, co-fund match, and submit grant applications with support from Subcommittee staff, as identified in Section 6 of this MOU
- Combine local monetary and in-kind- contributions and project funds to ensure fully-funded applications, as identified in Section 6 of this MOU
- Support the grant effort and avoid competition with the local projects in the year of application

The following Local Nexus Projects have been identified within the north (SR 509) and south (SR 167) segments of the Gateway Program:

Gateway North (SR 509)	Gateway South (SR 167)
188 th South Ramps	Meridian West Ramps
SeaTac Access, with Ramps to 28 th /24 th Avenue South	54 th Avenue East Ramps
Veterans Drive Extension	Interurban Trail
Lake to Sound Trail	Valley Avenue West Ramps
	Port of Tacoma Access/SR 509 Spur
	70 th Avenue E Bridge Relocation

If Local Nexus, INFRA, and any other pending grant projects become fully funded, these projects will contribute substantially toward the Legislative requirement for local match. Funding commitments will be achieved via an interlocal agreement from each signing party up to the amounts presented in this MOU. Local Agency Partner signatories to this MOU understand that once the local contribution requirements set forth in ESB 5096 (\$130 million) is achieved, that Local Agency Partners will not be required to commit to additional funds beyond what is outlined in this MOU. If additional grant funding or additional funds from other sources are obtained that fulfill the \$130 million local contribution requirement, the Secretary of Transportation and the Executive Committee will review and determine to either reduce local agency partner match payments, or recommend expanding scope of the Gateway Program, and amend each signing party's interlocal agreement accordingly.

4. Local Participation Policy

The Joint Executive Committee has agreed to a funding and phasing policy that structures local agency partner match requirements to be commensurate with the benefits accrued from the project at a local level. This policy states that:

All local agency partners accrue some benefit from the Puget Sound Gateway Program. Partners receiving fewer benefits, however, are not expected to contribute as much as partners who receive more benefits. Direct benefits are those that most quantifiable, but there are other components of value that include indirect, strategic and policy/social benefits. Both direct and indirect benefits will be assessed as part of the consideration of local contributions, because they are more easily quantifiable than strategic and policy/social benefits.

All Local Agency Partner signatories of this MOU expect to seek approval of interlocal agreements to contribute a match to be applied to Local Nexus Projects at a level that reflects their respective anticipated level of benefit, as identified in Section 6 of this MOU.

5. Benefit Assessment Methodology

The proposed financial participation by each partner is based on a general, qualitative assessment of the net benefits expected to be received by full completion of the Gateway Program. The assessment includes the following metrics, based on available project data and transportation modeling outputs:

- **Direct transportation linkages.** The location of direct access points for new limited access highways or other transportation infrastructure that benefits the community.
- **Effects on local sales taxes.** The impacts of the projects to sales tax receipts, both in terms of one-time construction sales taxes for the project, and ongoing sales taxes from impacts to commercial uses.
- **Travel time savings.** Overall travel time savings for local car and truck traffic associated with the projects.
- **Traffic diversion from local streets.** The diversion of, or increase in, traffic on local arterials due to the project, with associated positive impacts to traffic safety and local road maintenance.
- **Effects on local employment.** The potential effects of improved accessibility are reviewed, particularly in the context of access to new or potential employment uses.
- **Effects on developable residential lands.** The potential impacts of changes in traffic flow and accessibility on residential land development, with a focus on areas within the jurisdiction that are available for redevelopment.
- **Effects on developable employment lands.** The potential impacts of changes in traffic flow and accessibility on the development or redevelopment of commercial and industrial lands.
- **Achievement of local policy goals.** The alignment of the WSDOT Gateway Program with local plans and policies.
- **Environmental and social benefits.** Environmental and social benefits specifically linked to these projects, including upgrades to pedestrian and cycling infrastructure, and wetlands and riparian restoration.

The approach and findings of the benefits assessments have been provided to the Local Agency Partners.

6. Local Jurisdiction Anticipated Contributions to the Program

Based on results from the benefit assessment described in Section 5, contributions for each of the Local Agency Partners were determined by project stage in the tables below. Following execution of this MOU, interlocal agreements will be drafted for subsequent approval. Anticipated contributions only become binding commitments when embedded in interlocal agreements, and the conditions therein are approved by the proposed funding entity. Interlocal agreements between WSDOT and the respective Local Agency Partner must be in place for a project prior to issuance of the Request for Proposals (RFP) for any proposed construction contract. The Interlocal agreements will become binding commitments, within the statutory authority of the Local Agency Partner, and will define the schedule of local match payments expected over the duration of each construction project stage.

WSDOT will exercise due diligence to develop and construct each project on schedule within the Gateway Program to the best of its abilities. Local Agency Partners will participate in project development reviews and project meetings in support of the Gateway Program.

If grant pursuits identified in the Stage 1 and Stage 2 tables below are not achieved sufficient to meet the \$130 million local contribution, additional grants will be pursued from the funding programs listed or from other funding programs that may become available over the life of the Gateway Program. If Local Nexus Projects go to construction without planned grants, the Local Agency Partner match funds will still be provided by agreement with WSDOT. If it is determined that a Local Nexus Project cannot be fully funded, WSDOT will review options with the Executive Committee. If an official decision is determined by the Executive Committee and the Secretary of Transportation that the Local Nexus Project is not to be included in a construction project, the Local Agency Partner match may be withdrawn.

Stage 1 Grant Pursuits for Local Nexus Projects

Project	Estimated Construction Cost	Funding Program	Grant Target Amount	Target Due Mo/Year	Anticipated Construction Expenditure	Local Agency Partner Match	Partner Nexus
70 th Avenue E/Interurban Trail	\$32,245,600	FMSIB	\$5,000,000	Mar 2018	2019-2021	\$800,000 \$500,000 \$3,000,000	Fife Tacoma Port of Tacoma
		TIB	\$5,000,000	Aug 2018	2019-2021	\$1,000,000	Fife
		State Capital & Transportation	\$1,400,000	Mar 2018	2019-2021		Fife
Veterans Drive/ SR516 Interchange	\$33,800,000	PSRC	\$4,500,000	Apr 2018	2021-2025	\$1,000,000	Kent
		TIB	\$5,000,000	Aug 2020	2021-2025	\$1,000,000	Kent
SeaTac Access	\$176,883,500	PSRC	\$4,500,000	Apr 2018	2021-2025	\$2,000,000 \$500,000	SeaTac (ROW in lieu) Des Moines

Port of Tacoma Access/509 Spur	\$323,042,000	PSRC	\$4,500,000	Apr 2018	2021-2025	\$1,500,000 \$3,000,000 \$800,000	Tacoma Port of Tacoma Fife
		FMSIB	\$5,000,000	Mar 2020	2021-2025		
All Gateway Program		INFRA	\$20,000,000*	Nov 2017	2019-2021		
SR 167 Stage 1		Port of Tacoma		Jan 2021	2021-2025	\$9,000,000	Port of Tacoma
SR 509 Stage 1		Port of Seattle		Jan 2021	2021-2025	\$15,000,000 \$500,000	Port of Seattle (expected in 2023-2025) Des Moines
Total Stage 1			\$54,900,000			\$38,300,000	\$93,000,000

Stage 2 Future Grant Pursuits for Local Nexus Projects

Project	Estimated Construction Cost	Funding Program	Grant Target Amount	Target Due Mo/Year	Anticipated Construction Expenditure	Local Agency Partner Match	Partner Nexus
Meridian Avenue Interchange		TBD	\$3,000,000	2022	2026-2030	\$2,000,000	Puyallup
Valley Avenue Interchange		TBD	\$3,000,000	2022	2026-2030	\$2,000,000	Pierce County
188 th Street Interchange improvements		TBD	TBD	2023	2026-2030	TBD	
SR 167 Stage 2		TBD	\$4,000,000	2022	2026-2030	\$500,000 \$500,000	Edgewood (ROW in lieu) Sumner
		Port of Tacoma		Jan 2026	2026-2030	\$15,000,000	Port of Tacoma
SR 509 Stage 2		TBD	\$4,000,000	2024	2026-2030		
		Port of Seattle		Jan 2026	2026-2030	\$15,000,000	Port of Seattle
Total Stage 2			\$14,000,000			\$24,500,350 00,000	\$48,500,490 ,000
Total Stages 1 & 2			\$68,900,000			\$72,800,731 00,000	\$141,700,142 00,000

* – If no INFRA, apply for FHWA BUILD grant for Port of Tacoma Access (SR 509 Spur)

TBD – grant funding program pursuit to be determined in future

7. Terms and Termination

7.1. Amendments

This MOU shall be periodically reviewed and evaluated regarding the need for modifications or amendments by mutual determination of WSDOT and Local Agency Partners. Amendments to the MOU shall be required if program funding assumptions need to be adjusted that affect the ability to construct the identified Local Nexus Projects or the ability to achieve the \$130 million local contribution. Such amendments shall only be binding if they are in writing and signed by authorized

personnel from all of the Local Agency Partners. Except as set forth in an amendment, the MOU will be unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between an amendment and the MOU or any earlier amendment, the terms of the most recent amendment will prevail.

If there is a conflict between subsequent Interlocal Agreements and the MOU or any earlier amendments, the terms of the Interlocal Agreements will prevail.

Changes that do not affect the ability to construct the identified Local Nexus Project or achieve the \$130 million local contribution shall be addressed through the Interlocal Agreement between WSDOT and the relevant Local Agency Partner.

7.2. Dispute Resolution

Should any signatory to this MOU object at any time to any actions proposed or the manner in which the terms of this MOU are implemented, the Executive Committee shall hear the dispute first and if the disputant(s) is/are not satisfied with the Committee's proposed decision, the Committee will send to the Secretary of Transportation its proposed solution and all documentation relevant to the dispute. The Secretary of Transportation shall provide the Executive Committee with his/her advice on how to resolve the dispute within thirty (30) calendar days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the Executive Committee shall prepare a written response that considers any timely advice or comments regarding the dispute from the Secretary of Transportation, signatories and other interested parties, and provide them with a copy of this written response. WSDOT will then proceed according to this final decision.

7.3 Conditions for Termination of Participation

Subject to legislative appropriation and all applicable laws, each signatory shall ensure that the Gateway Program is carried out in accordance with the terms of the MOU and subsequent Interlocal Agreements. A signatory may terminate its participation in this MOU if its terms cannot be met and by providing written notice to the Secretary of Transportation and the Executive Committee a minimum of 180 calendar days before a project issues an RFP that relies on that local agency partner funding. Prior to providing written notice terminating participation, however, the signatories shall consult with WSDOT to determine whether an amendment to the MOU might be feasible. If a signatory ~~terminat~~terminates its participation, WSDOT will then consult with the Executive Committee to determine if project scope elements need to be removed if contributions are not realized in accordance with this understanding.

8. Period of Agreement.

This MOU will commence on (July 1, 2018 proposed date) and will dissolve when the \$130 million of local contribution have been secured, or when the Local Nexus Projects have been constructed and are complete.

9. Signatories

Stephen P. Metruck
Executive Director
Port of Seattle

Date

Dick Marzano
Commissioner
Port of Tacoma

Date

Dow Constantine
County Executive
King County

Date

Bruce Dammeier
County Executive
Pierce County

Date

David E. Hill
Mayor
City of Algona

Date

Nancy Backus
Mayor
City of Auburn

Date

~~Matt Mahoney~~ Michael Matthias
Councilmember
City Manager
City of Des Moines

Date

Daryl Eidinger
Mayor
City of Edgewood

Date

Jim Ferrell
Mayor
City of Federal Way

Date

Pat Hulcey
Councilmember
City of Fife

Date

Dana Ralph
Mayor
City of Kent

Date

Shanna Styron-Sherrell
Mayor
City of Milton

Date

Leanne Guier
Mayor
City of Pacific

Date

Kevin Yamamoto
City Manager
City of Puyallup

Date

Joseph Scorcio
City Manager
City of SeaTac

Date

William L. Pugh
Mayor
City of Sumner

Date

~~Victoria Woodards~~ Elizabeth A. Pauli
Mayor
City Manager
City of Tacoma

Date

Roger Millar
Secretary of Transportation
Washington State Department of Transportation

Date