PORT OF SEATTLE MEMORANDUM

COMMISSION AGENDA STAFF BRIEFING

Item No. 7a

Date of Meeting November 2, 2010

DATE: October 26, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Patricia Akiyama, Director, External Affairs

Mike Merritt, Local Government Affairs Manager Geri Poor, Regional Transportation Manager

SUBJECT: Update on Alaskan Way Viaduct and Seawall Replacement Project (AWVSRP) and

Review of 2010 Supplemental Draft Environmental Impact Statement (SDEIS)

BRIEFING OUTLINE:

At the November 2, 2010 commission meeting, the State and City project team will present an overview of the SDEIS and port staff will highlight key issues to the port.

- Port interests and issues
- Viaduct Project SDEIS
- Schedule and next steps

Staff anticipates returning to the Commission at the December 7, 2010 meeting with a summary of staff comments on the SDEIS review and to obtain Commission direction on related policy issues.

BACKGROUND:

The Alaskan Way Viaduct corridor is of vital, strategic importance to the Port of Seattle. The port must have continued efficient movement of freight throughout the Puget Sound region in order to maintain the jobs and economic growth created by port activities. The viaduct carries 100,000 vehicles daily. Losing the corridor would create significant traffic congestion that would impede access to and from the port's properties along the lower Duwamish River and Elliott Bay, and would eliminate the vital railroad grade separations that disentangle vehicles from train traffic.

In January 2009, after the year-long Collaborative Process, Governor Gregoire, Mayor Nickels and County Executive Sims recommended the Alaskan Way Viaduct (Viaduct) be replaced by a bored tunnel along with other transportation improvements and seawall reconstruction. Port CEO Tay Yoshitani participated in the announcement and committed to work to secure pursue port participation not to exceed \$300 million to fund critical port-related elements of the program, subject to Port of Seattle Commission approval.

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Under the replacement program, the Washington State Department of Transportation (State) would move SR 99 into a bored tunnel beneath downtown, reconnect the street grid at the ends of the tunnel and remove the viaduct along the waterfront. The State is responsible for managing the project, and its environmental review. The City of Seattle (City) would build a new Alaskan Way roadway funded by the State, build new public open space along the waterfront once the viaduct is removed, improve other city streets and replace the central seawall. King County (County) would seek new funding to invest in expanded transit service. The City and County are responsible for managing these projects, and their environmental review.

In April 2009, the State Legislature approved funding for the deep-bore tunnel concept for the replacement of the Viaduct. The state's maximum contribution for the AWVSRP will be \$2.4 billion, with up to \$400 million financed with toll revenue, for a total of \$2.8 billion. In October 2009, Mayor Nickels and Governor Gregoire signed an agreement that details investments in the SR 99 corridor, city streets, a new Alaskan Way, Mercer and Spokane streets, the waterfront promenade, and central seawall. It outlines the City's obligation of \$927 million for the program, and includes accountability for projects and implementation roles.

On April 12, 2010, Governor Gregoire, Port Commission President Bryant and the Port Chief Executive Officer signed a Memorandum of Agreement (MOA) affirming port participation of not-to-exceed \$300 million in the AWVSRP.

During 2010, the bored tunnel alternative has progressed into preliminary design and environmental review. The program is led by the State, in partnership with the Federal Highway Administration (FHWA), the City, the County and the Port. In addition, the 2007 "Moving Forward" projects are under construction. Working groups are meeting to review design concepts at the proposed tunnel's south and north portals, and the City has formed a Central Waterfront Partnerships committee.

The FHWA, the State, and the City are preparing a second SDEIS that analyzes the bored tunnel alternative and builds upon the previous review of other alternatives, to be published on Oct. 29, 2010, for public review and comment. This second SDEIS will look at how the transportation system functions, with a focus on the various elements in the bored tunnel alternative. The state will conduct a detailed analysis of bored tunnel construction and operation, removal of the existing viaduct and closure of the Battery Street Tunnel, and will briefly compare the bored tunnel with the cut-and-cover tunnel and elevated structure alternatives. The State SDEIS will generally review other projects envisioned as part of the program that may require further environmental review, such as the new Alaskan Way surface street design and construction, seawall replacement and various city street improvements.

PREVIOUS COMMISSION REVIEW:

The Port Commission has held several reviews and actively participated in discussions at commission meetings about the Viaduct since the Nisqually Earthquake in 2001. Over time, the State and City project team staff, as well as port staff, has presented reviews of alternatives and the two draft environmental impact statements (2004 and 2006). The Commission has articulated the port's interests and recommendations to the program.

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After the March 2007 announcement of a Collaborative Process, the Port CEO expressed the port's business interests to the Mayor, Governor and County Executive. Maintaining system capacity, freight mobility, access to waterfront businesses and the seawall's function are critical to the port's ability to move cargo (seaborne and airborne) to and from our facilities, move passengers to and from airport and cruise operations, and support the tens of thousands of family-wage jobs generated by the port's activities.

In August 2008, the program team presented the guiding principles and measures, and eight hybrid scenarios for Commission review and discussion.

On December 16, 2008, the Commission passed a motion recommending to the State, City, and County that a subsurface hybrid option be retained for further study.

On January 5, 2010, port staff and the Alaskan Way Viaduct program team representatives presented an update on project design, early action construction and stakeholder involvement, and project benefits and areas of concern for the port. The State requested an MOA to memorialize the port's support for the program, including port participation not to exceed \$300 million. On January 12, 2010, the Commission hosted a policy roundtable to discuss the Viaduct Replacement Program with port customers and stakeholders.

The commission heard public testimony on the proposed port participation on February 2 and 9, and on February 9, passed a motion authorizing the Port CEO to execute the proposed MOA affirming the port's financial participation in the Alaskan Way Viaduct and Seawall Replacement Program.

On April 12, the State and Port signed the MOA affirming a port investment not to exceed \$300 million in the Alaskan Way Viaduct and Seawall Replacement Program.