

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 6a

**Date of Meeting** December 13, 2011

**DATE:** December 2, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Dan Burke, Regional Transportation, Public Affairs  
Eric Hanson, Seaport Planning Manager

**SUBJECT:** Authorization to enter into the Argo Yard Truck Roadway Memorandum of Understanding (MOU) and approval of Port funding for the Project.

**Total Project Cost:** \$7,800,000

**Port of Seattle Cost:** \$2,200,000

**Source of Port Funds:** Tax Levy

**Jobs Created:** 93 FTE construction jobs

**ACTION REQUESTED:**

Request the Port Commission to authorize 1) the Chief Executive Office to execute the Argo Yard Truck Roadway MOU with the Freight Mobility Strategic Investment Board (FMSIB), the City of Seattle (City), the Union Pacific (UP) Railroad and Prologis L.P. (Prologis); 2) approval of Port of Seattle funds of \$2,200,000 for the project; and 3) approval of the project, including initial steps of right-of-way acquisition and completion of design.

**SYNOPSIS:**

Many stakeholders involved in harbor drayage have for many years envisioned a shortcut from Harbor Island to the UP Argo Yard. Given the expected completion of the East Marginal Way Grade Separation project, this vision has gained traction as a significant component for creating a virtually seamless expressway between marine terminals and the near-dock, intermodal yard at Argo.

Currently, trucks transiting from Harbor Island to Argo must merge through three lanes of traffic in a distance of only 1,000 feet. Further, trucks are delayed while waiting for the green arrow signal at the intersection of East Marginal Way and Diagonal Avenue. Finally, there is a frequent occurrence of port trucks awaiting this left turn signal to queue-up past the left turn

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holding pocket which causes not just increased congestion but also unsafe driving conditions for general purpose traffic southbound on East Marginal Way.

Creation of the proposed Argo Yard Truck Roadway will reduce round-trip, dray-times for harbor truckers while improving safety for general purpose traffic. The project will accomplish these goals by creating an automated gate system (AGS) at the Argo Yard which will speed truck processing and a drayage route shortcut which bypasses the need to use congested portions of East Marginal Way.

Funding for this project will be provided by the Port, the Freight Mobility Strategic Investment Board, and Union Pacific.

### **THE PROJECT:**

The project has three elements. Element I consists of a private, southbound only, roadway from the north end of the Argo Yard to Colorado Avenue. The roadway will be for the sole use of port drayage truckers and Prologis truckers. By privatizing use of the road, the project is able to reduce the width of the road and therefore reduce the amount of property acquisition. Both UP and Prologis are providing property for Element I through the conveyance of easements. The roadway will be 16 feet wide and provide security fencing adjacent to the UP and emergency vehicle access along the Prologis side of the road.

Element II of the project consists of roadway improvements along Colorado Avenue and near the intersection of Colorado avenue and Diagonal Avenue. The intent of these improvements is to utilize striping, new curb cuts and other relatively simple means to better manage truck traffic in the area. Creating a specific design for these improvements will involve participation from all parties to the MOU.

Element III of the project will automate the truck gate at the UP Argo Yard. The UP is the sole project lead for design, permitting and construction of the AGS.

Port staff will only request execution of the MOU from the Chief Executive Officer if the significant content of this draft remains unaltered. If there are material changes, Port staff will return to the Commission for additional authorization.

### **PORT ROLES AND RESPONSIBILITIES:**

The Port will:

- a) Act as project lead for design, permitting and construction of Elements I and II.
- b) Manage transference of FMSIB funds for all elements of the project.
- c) Contribute \$2,200,000 to Elements I and II.
- d) Retain responsibility of maintenance for the roadway in Element I.
- e) Retain operational liability for use of the roadway in Element I.

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### **PROJECT SCOPE OF WORK AND SCHEDULE:**

Schedule/Scope:

- Execute this Project MOU between the Port, FMSIB, UP, Prologis and the City, which includes a general approval of goals, scope, budget, schedule and the roles of each Party to complete the Project: December, 2011.
- Initiate easement agreements between the Port and UP and the Port and Prologis to obtain the easements for the truck roadway: 2012.
- Complete design and cost estimates of all project elements: 2012.
- Begin and complete construction following the conveyance of the easements and the approval of the final design of all project elements: 2012 - 2013.

### **FINANCIAL IMPLICATIONS:**

The total project cost is \$7,800,000. The Port is contributing \$2,200,000 for planning, design, easement acquisition and construction of Element 1 and Element II. A summary of project funding follows:

Project Element	FMSIB	POS	UP	Total	Notes
Element I	\$550,000	\$1,650,000		\$2,200,000	Includes planning, design, right-of-way (ROW) acquisition, permitting and construction of a one-way, southbound truck roadway.
Element II	\$50,000	\$ 550,000		\$600,000	Includes planning, design, ROW acquisition permitting and construction of roadway and intersection improvements in the area of Colorado/Diagonal/Denver.
Element III	\$3,750,000		\$1,250,000	\$5,000,000	Includes planning, design, permitting and construction of a new Automated Gate System at the Argo Yard.
Total	\$4,350,000	\$2,200,000	\$1,250,000	\$7,800,000	

### **Port Source of Funds**

The 2011 Plan of Finance and the 2012 Draft Plan of Finance includes \$2,000,000 under Public Expense Projects for the North Argo Express Access project. The additional \$200,000 Port contribution for this project will be deducted from funds included in the 2012 Draft Plan of Finance for the Fast Corridor II Public Expense Project. The funding source for this agreement will be the tax levy.

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### **Financial Analysis Summary:**

<b>CIP Category</b>	Regional Transportation
<b>Project Type</b>	Freight Mobility
<b>Risk adjusted discount rate</b>	NA
<b>Risk factors</b>	<ul style="list-style-type: none"><li>• As the lead agency for this project, the Port may be considered responsible for potential project cost overruns.</li><li>• Cost for maintaining the roadway may be more than anticipated.</li><li>• Port will retain operational liability for use of the roadway.</li><li>• Partners may opt out of agreement during right-of-way or design phase, resulting in lost up-front planning and design costs for the Port.</li></ul>
<b>Project cost for analysis</b>	NA
<b>Business Unit (BU)</b>	Seaport Planning
<b>Effect on business performance</b>	Spending on this project will be expensed as incurred, as a non-operating expense.  Costs to maintain the roadway are currently estimated to average approximately \$5,000 per year.
<b>IRR/NPV</b>	N/A

### **ENVIRONMENTAL SUSTAINABILITY AND COMMUNITY BENEFITS:**

The project will eliminate drayage truck idling at the intersection of East Marginal Way and Diagonal Avenue thereby reducing greenhouse gas and diesel particulate emissions. The project will increase traffic safety for both harbor truckers and general purpose traffic.

The Argo Yard Truck Roadway Project will provide a shorter dray and improved safety for port related trucks. The project is supported by the Washington Trucking Association and the Freight Mobility Strategic Investment Board. General purpose traffic mobility and safety will be improved as trucks will detour from East Marginal Way to the new truck roadway. Though there are no formal studies to verify benefits of the entire project, it is believed that the combination of a shortened and speedier dray route along with the enhanced processing speed of the AGS can provide truckers the opportunity to make one additional dray-trip during the course of a routine work shift.

### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

In 2005, the Port studied alternatives to the current freight route from the Port terminals to the UP Argo Yard gate. Four alternatives identified different routes which avoided the weave and busy intersection at Diagonal Avenue. However, all the alternatives, with the exception of the

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one associated with this MOU, added distance and travel time and were therefore not considered feasible.

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

PowerPoint.

Attachment A: Visual representation of the project's three elements.

Attachment B: Draft Memorandum of Understanding between the Port of Seattle, the Freight Mobility Strategic Investment Board, Prologis L.P., the City of Seattle, and Union Pacific.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.