

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6g

Date of Meeting September 11, 2012

DATE: September 4, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Geri Poor, Manager, Regional Transportation
Gary Wallinder, Capital Project Manager IV

SUBJECT: East Marginal Way Grade Separation Phase II (CIP C001725)

Amount of This Request: \$850,000

Source of Funds: Tax Levy

Est. State and Local Taxes: \$110,000

Est. Jobs Created: 20

Est. Total Project Cost: \$2,050,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to: (1) obligate the Port to pay Washington State Department of Transportation (WSDOT) a not-to-exceed amount of \$500,000 for work associated with SR99 Trestle Replacement to allow East Marginal Way Grade Separation (EMWGS) Phase II and Argo Yard Access Road projects to proceed; and (2) direct staff to develop design and prepare bidding documents for EMWGS Phase II in the amount of \$350,000.

SYNOPSIS:

The East Marginal Way Grade Separation (EMWGS) project was initiated by the Freight Action Strategy (FAST) Corridor Partnership in the mid-1990s. This overpass has been implemented by the Port of Seattle as a solution to train crossing delays to general and freight traffic in the vicinity of East Marginal Way and Duwamish Avenue south of Spokane Street. Construction of the new overpass is substantially complete and traffic can now travel over the existing BNSF Railway and Union Pacific (UP) railroad tracks at Duwamish Avenue without being stopped by trains. The final memorandum of agreement (MOA) between the Port and the City of Seattle continues development. Port staff plans to brief the Commission on the status of the EMWGS project in the near future. Funding for this project was received from federal, state, local, railroad and Port of Seattle sources. It is referred to as Phase I, given two additional opportunities it provides for system enhancements described below.

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The Argo Yard Access Road is a first improvement, made possible by the completed grade separation. It provides a new, more direct and safer route into the Union Pacific (UP) Argo rail yard (Argo). The new route will allow trucks headed for Argo to avoid crossing SR99 traffic south of South Spokane Street. It is being developed jointly by the Freight Mobility Strategic Investment Board (FMSIB) and the Port of Seattle. It received Port Commission Authorization on December 13, 2011.

A second opportunity arises from the adjacent WSDOT SR99 Trestle Replacement project, scheduled to be bid for construction in late September 2012. Development of this enhancement has been recently advanced by an agreement between the FMSIB, SDOT, and WSDOT for a structural design change of a new trestle replacement project to create a pass through in the trestle where a road would be built to connect to the Argo Yard Access Road. This design change and associated construction cost has been funded by a FMSIB grant. However, further review of the updated design provides a substantial additional opportunity: by modifying one of the WSDOT Trestle Replacement project's column locations, a revised surface roadway alignment will permit northbound traffic to flow unencumbered onto the newly constructed EMWGS overpass.

This requested action, titled EMWGS Phase II, will fund (1) the WSDOT column modification design and construction, and will fund (2) the Port's final roadway design for the connecting roadways, as well as development of bidding documents for both the EMWGS Phase II enhancement and the access to the proposed private roadway to the Argo Yard Access Road. The suggested source of funds are funds currently programmed under the FAST II program (CIP C001786), but unlikely to be requested by FAST partners. The source of FAST II funds is the tax levy.

BACKGROUND:

The FAST Corridor partnership was established to support and minimize the impact of port operations on the highways and rail lines that sustain maritime international trade along the freight corridor from Tacoma to Everett. The Port of Seattle has been a partner since FAST's inception and has contributed or committed over \$40,000,000 to various projects in the corridor. This project will be funded within this commitment and will complement the FMSIB contribution to the WSDOT structural change by constructing connecting surface roadways in the vicinity of both the EMWGS structure and the Argo access route.

PROJECT JUSTIFICATION:

The Project develops a complementary road system improvement for the EMWGS structure and enhances the benefits of the Argo Yard Roadway project.

Project Objectives:

- Improve surface roadway connections between the Argo Yard Access Road and the EMWGS structure based upon agreements between the Port, WSDOT, FMSIB, and SDOT.

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- Enhance the vehicular traffic flow and safety of the public and freight handling businesses; reducing associated vehicle idling times and emissions.
- Enhance the viability of Port investments in containerized shipping consistent with the Port's Century Agenda.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

Fund the design and construction of the WSDOT column location change. Port staff, with the support of outside consultants, will complete final design and develop bid documents for complementary roadway construction

Schedule:

Column change implemented during WSDOT Trestle Replacement Project anticipated during 2013. Complete final design in 2nd quarter 2013 and return to Commission for authorization and funding for the construction of surface roadways.

FINANCIAL IMPLICATIONS:

EMWGS Phase II Project Authorization request and Cost Breakdown:

	This Request	Total Project
WSDOT SR 99 Trestle Replacement payment	\$500,000	\$500,000
Design	\$250,000	\$250,000
Project Management	\$ 50,000	\$ 50,000
Permitting	\$ 50,000	\$ 50,000
Construction Estimate		\$960,000
Construction Management Estimate		\$130,000
State & Local Taxes (estimated)		\$110,000
Total	\$850,000	\$2,050,000

Budget Status and Source of Funds:

Funding for this project is proposed from CIP C001786 FAST Corridor II. The source of funds will be the tax levy.

CIP Category	Regional Transportation
Project Type	Freight Mobility
Risk adjusted discount rate	NA

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Key risk factors	<ul style="list-style-type: none">▪ As the lead agency for this project, Port of Seattle will be responsible for cost overruns.▪ Potential for scope growth is relatively high given many unknowns associated with old infrastructure in a congested area.▪ Further roadway improvements dictated by SDOT or track improvements by UPRR.
Project cost for analysis	NA
Business Unit (BU)	Seaport Containers
Effect on business performance	Spending will be expensed as incurred as a non-operating expense over three years.
IRR/NPV	NA
CPE Impact	NA

STRATEGIC OBJECTIVES:

This Project is consistent with the Port's Century Agenda to position the Puget Sound region as a premier international logistics hub and to grow seaport annual container volume to more than 3.5 million TEUs over 25 years.

ENVIRONMENTAL SUSTAINABILITY:

Air quality and fuel efficiencies will be enhanced due more direct access routes.

BUSINESS PLAN OBJECTIVES:

Assure viability of container terminal operations.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

1. Instruct WSDOT to proceed with design which does not relocate a column and seek other method to enhance traffic flow to the EMWGS structure. Seek other funding for road connection to Argo Yard Access Road. The implications of this alternative are freight mobility improvement delay and increased cost if implemented in the future.
2. Authorize and approve funds for the WSDOT column relocation and design roadway enhancements for improved access to the EMWGS structure and the Argo access route. This alternative supports the FAST Corridor program and maintains support to FMSIB. **This is the recommended action.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Slide presentation.

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- July 14, 1998 -- Commission approved Resolution No. 3283, to authorize participation in the FAST Corridor
- April 9, 2002 -- Commission authorization for East Marginal Way Grade Separation conceptual design development
- December 9, 2003 -- Commission authorization for design refinement
- April 11, 2006 -- Commission authorization for project wide elements for a total of \$34,500,000
- January 13, 2009 -- Commission Project update
- March 24, 2009 -- Commission authorization to (1) increase previous Project Authorization by the amount of \$17,200,000 resulting in a total Project Authorization of \$50,700,000, and (2) advertise for bids for a total of \$50,700,000
- November 30, 2009 – Commission approved agreement for early termination of Clear Channel Outdoor, Inc.'s leaseholds and settlement of any claims related to the removal of certain signs on Port-owned property acquired for EMWGS project
- May 11, 2010 – Commission authorization for a Purchase and Sale agreement between Port of Seattle and Ash Grove Cement Company for a portion of Ash Grove's real property
- May 18, 2010 – Commission authorization of a change order for a not-to-exceed amount of \$430,000
- December 13, 2011 – Commission authorization of Argo Yard Roadway Memorandum of Understanding (MOU)