



COMMISSION
AGENDA MEMORANDUM

Item No. 10a

ACTION ITEM

Date of Meeting September 28, 2021

DATE : September 17, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Pearse Edwards, Senior Director, External Relations
Geri Poor, Senior Manager Regional Transportation
Sabrina Bolieu, Manager Regional Government Relations

SUBJECT: **West Seattle Bridge Memorandum of Understanding**

Amount of this request: \$9,000,000

Total estimated project cost: \$9,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Memorandum of Understanding (MOU) in substantially the form attached for \$9 million in partnership with the City of Seattle on the West Seattle Bridges Repair program.

EXECUTIVE SUMMARY

Through the Port and City's joint efforts to close the funding gap for the West Seattle Bridges Improvements, we joined with other federal and local agencies to provide funding for West Seattle Bridges repair. This partnership will ensure good access to the Port cargo terminals, promote freight mobility in the harbor, and relieve the traffic impacts on West Seattle and Duwamish Valley neighborhoods.

JUSTIFICATION

Execution of this MOU contributes to the Port's Century Agenda goal to position the Puget Sound region as a premier international logistics hub. As the Puget Sound region continues to experience unprecedented growth, the increased population has created mobility and safety challenges within the local transportation corridors.

The West Seattle Bridge (WSB) transportation corridor sits at a critical point in our nation's transportation network, adjacent to the BNSF Railway Company'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 to Illinois and the eastern seaboard. In 2019, marine terminals managed by The Northwest Seaport Alliance (NWSA) 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.

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The bridge failure potentially puts at grave risk the largest public investment ever made by the combined ports of Seattle and Tacoma—The Northwest Seaport Alliance’s Terminal 5 (T5)—adjacent to the WSB. 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.

Entering into this agreement with the City will aid in the repair and rehabilitation of the West Seattle Bridges to restore these critical pieces of regional infrastructure and maintain our region as an international gateway for commerce and trade.

Diversity in Contracting

This is Port participation in a City of Seattle program, so the Port Diversity in Contracting is not directly involved. However, the City of Seattle has received federal authorization to utilize its Priority Hire program to complete the repair and rehabilitation of the West Seattle Bridge.

DETAILS

The Port of Seattle will participate in funding the West Seattle Bridges Repair program.

The Port, the City and the NWSA will work together to ensure the new container T5 investment continues from construction to operations alongside the city’s construction program; freight mobility and operational issues are addressed; and shared projects continue to advance.

To ensure smooth start-up of T5, the city commits to conditional access across the low bridge for freight and container terminal workforce. The city will also ensure permits for T5 construction are processed on a prioritized basis. Design and construction details of two bridge programs will be shared with the Port and NWSA staff for review and feedback, to ensure maritime operations are fully considered.

The city has affirmed its support for freight mobility and industrial lands vitality. As the city completes a future Replacement Bridge conceptual study by year-end 2021, they will note the importance of container terminal operations and access needs in developing and evaluating the replacement concepts. City staff will work with the Port on an improvement to access on S. Spokane St. near the Terminal-18 gate, as well as collaborating with drivers and Duwamish Valley communities to reduce drayage effects on the communities. As the city designs a bicycle lane on West Marginal Way, it will maximize safety for all users and minimize freight impacts.

The city and the Port continue to work on other transportation corridors, such as the East Marginal Way, to separate bicycle traffic from road vehicles and add heavy haul pavement depths.

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Schedule

This agreement represents a partnership investment by the Port of \$9 million. Payments would be made on a reimbursement basis as work is completed.

The City of Seattle is scheduled to complete the West Seattle High Bridge construction by mid-2022 and will re-open the bridge to the public. The Low-Bridge improvements are anticipated to be completed by Q4 of 2022.

The MOU calls for three scheduled progress payments:

1. The first payment of \$3,000,000 shall be made after the City has reopened the West Seattle High Bridge with full access consistent with prior operations (7 lanes) and shown progress satisfactory to the Port on other provisions of the agreement (this is expected in mid-2022).
2. The second payment of \$3,000,000 shall be made upon Substantial Completion of the Spokane St. Swing Bridge Repair and Improvement Projects (expected by year-end 2022) including progress satisfactory to the Port on other provisions of the agreement.
3. The final payment of \$3,000,000 shall be made upon Final Acceptance of all projects (as defined in the construction contract) and including progress satisfactory to the Port on other provisions of the agreement.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing.

Cost Implications: Zero.

Pros:

- (1) No impacts on the Port’s budget.
- (2) No impact on staff time with respect to implementation.

Cons:

- (1) Negative implication on our relationships with other governments.
- (2) Negative timeline impacts to Port priority projects.

This is not the recommended alternative.

Alternative 2 – Authorize to execute a different agreement.

Cost Implications: It would depend.

Pros:

- (1) If it included fewer dollars, there would be less of an impact on the Port’s budget.

Cons:

- (1) The agreement would not likely move forward, and the Port would lose leverage on critical negotiation pieces in the MOU.

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This is not the recommended alternative.

Alternative 3 – Authorize to execute this agreement.

Cost Implications: \$9,000,000

Pros:

- (1) Provides the Port a seat at the table to collaborate on West Seattle Bridge rehabilitation and construction.
- (2) Provides benefits for freight mobility and container terminal operations.
- (3) Strengthens relationships with local governments.

Cons:

- (1) Impact to the Port’s budget.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

This agreement represents a partnership investment by the Port of \$9M. Payments would be made on a reimbursement basis as work is completed.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$9,000,000	\$0	\$9,000,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	\$9,000,000	0	\$9,000,000
Total authorizations, including this request	\$9,000,000	0	\$9,000,000

Annual Budget Status and Source of Funds

This agreement represents a partnership investment of \$9,000,000.

The Port’s Transportation and Infrastructure Fund includes tax levy receipts set aside for existing commitments to regional transportation investments including the Port’s commitment to Safe and Swift. The actual Port costs for that initiative have been reduced by \$5 million and the Port can use that funding to support the West Seattle Bridge. Any amount above \$5 million would be funded with the Port’s tax levy and accommodated by spending deferrals on other investments or programs. The Port typically experiences slower than planned spending from the tax levy and up to five million will likely be accommodated without any explicit change to other tax levy uses.

The current project timeline has construction starting in the 4th quarter of this year ending year-end 2022. The project timeline will be updated once the design is at 60% completion.

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ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides
- (2) Draft memorandum of understanding

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 2, 2020 – The NWSA Managing Members were updated on the status of the West Seattle Bridge.

May 12, 2020 – The Port of Seattle Commission was briefed on the current status of the ongoing interagency response in which the port and the NWSA staff participated related to the closure of the West Seattle Bridge. Port staff outlined our internal next steps in coordination with the NWSA, to respond to the issue on multiple fronts.