



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting February 8, 2022

DATE : January 13, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Geraldine Poor, Regional Transportation Senior Manager

**SUBJECT: East Marginal Way Corridor Improvement Project, Memorandum of Understanding
between Port of Seattle and City of Seattle**

Amount of this request: \$5,500,000

Total estimated project cost: \$5,500,000

ACTION REQUESTED

Request Port of Seattle Commission authorization for the Executive Director to execute a Memorandum of Understanding (MOU) in substantially the form attached for \$5.5 million in partnership with the City of Seattle on the East Marginal Way Corridor Improvement Project.

EXECUTIVE SUMMARY

Consistent with the commitment in the 2015 Heavy Haul Agreement between the Port of Seattle (Port) and the City of Seattle (City), this MOU provides the framework for Port participation in the City's East Marginal Way Corridor Improvement Project with a \$5.5 million Port investment. The current Project MOU also references separate Temporary Construction Easements and one or more maintenance easements to be completed after construction. Additionally, the City commits to their contractors' construction coordination with the Port, The Northwest Seaport Alliance (NWSA) and tenants. Finally, the City is responsible for environmental review, public involvement, and outreach.

JUSTIFICATION

In 2015, the Port and City entered into a Heavy Haul Agreement to contribute Port funding toward the cost of Heavy Haul Network roadway repair or rebuilding projects. The agreement calls for a total Port contribution of \$10.1 million to defray the cost of heavy trucks on city streets. Based on a joint pavement study (2019) and the Heavy Haul Network project list and schedule (2021), the City and Port agree that the East Marginal Way Improvement Project – North Segment will receive up to \$5,500,000. This was derived from the study's estimation of cost to build to heavy haul standards, and such funding was applied among the City's planned heavy haul projects, of which East Marginal Way is the first.

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East Marginal Way is one of the City's most important transportation corridors both supporting the region's economic resilience and equitable health and access opportunities. The corridor parallels the Duwamish Waterway, running the length of the Manufacturing-Industrial Center, through the center of our industrial jobs base. It provides access to the Port-owned and NWSA-operated terminals, to manufacturing, warehousing, and commercial businesses, to freight rail yards and to the national highway system, including I-5 and the western terminus of I-90.

With significant freight volumes being moved along East Marginal Way, this roadway is in critical need of investment to support continued growth of freight activity and safe travel by all users. East Marginal Way serves as a critical last-mile connector and vital route for oversized trucks and, at the same time, is an important corridor for many of the people who work or need to access goods in the manufacturing industrial center by car, bike or on foot.

The City has developed this Project to address the full range of these uses, specifically designing it to meet state Heavy Haul freight standards while also incorporating a protected bike facility.

Diversity in Contracting

As a federal grant funded project, the City will be following Federal Highways Administration's (FHWA's) Disadvantaged Business Enterprise (DBE) Condition of Award (COA) goals.

DETAILS

This project will:

- Improve safety and reliability in the movement of people and goods.
- Support freight loads by rebuilding East Marginal Way to heavy haul standards.
- Promote efficiency through signal modifications, improving wayfinding and lighting, and intelligent transportation systems.
- Improve safety by separating non-motorized modes of traffic from vehicle traffic.

Scope of Work

The Project includes improvements for freight mobility and the safety of all users on the North Segment of the East Marginal Way Corridor.

Improvements related directly to port operations provide for:

- Reconstruction of the East Marginal Way S roadway to heavy haul standards from approximately S Massachusetts St to S Spokane St.
- Terminal 25S driveway redesign and reconstruction.
- Rebuilt intersection, traffic signal and potential railroad crossing relocation at S Hanford St, improving signal operations and safety.

Improvements related to a new protected bicycle lane include:

- New signalized diagonal bicycle crossing at East Marginal Way S and S Horton St improving safety and truck turning radii.

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- 2-way protected bike lane primarily on the east side of the street between S Atlantic St and S Spokane St that improves the safety of all corridor users by separating modes.
- Multi-use path on the street's west side between S Horton St and S Spokane St.
- Civil and signal adjustments as needed at S Atlantic St and S Spokane St to accommodate the protected bike lane.
- Lighting and landscaping along the 2-way protected bike lane.
- Rebuilding the sidewalk on the west side of East Marginal Way S adjacent to the roadway reconstruction north of S Horton St.

Improvements related to city utilities include:

- Replacing the existing water main in areas where the roadway will be reconstructed north of S Horton St, a concurrent project element, will be funded by Seattle Public Utilities.

Project Objectives

The Port's participation in the project will:

- Partially fulfill requirements of the Port's Heavy Haul Agreement financial commitments.
- Improve trucking operations, safety, and access to Port/NWSA terminals.
- Ensure port needs are incorporated into the design and allow port engagement in maintenance of traffic during construction.
- Advance construction in 2022 by completing the funding package along with local, regional, state, and federal funding partners.

Schedule

The City is the implementing agency for this project. Construction is anticipated to occur between 2022 and 2025.

Cost Breakdown

	This Request	Total Project
Construction	\$5,500,000	\$5,500,000
Total	\$5,500,000	\$5,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do Nothing

Cost Implications: \$0 contribution

Pros:

- (1) No costs incurred.

Cons:

- (1) Without Port investment, this project would not have sufficient funding to move forward, and the corridor improvements would be delayed or never completed.
- (2) Federal partnership funding would be lost.

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- (3) The Port's Heavy Haul commitment would remain because the City has no other Heavy Haul project underway at this time.

This is not the recommended alternative.

Alternative 2 – Proceed to enter into the Memorandum of Understanding.

Cost Implications: \$5,500,000 budgeted in the Heavy Haul Agreement item in the Port's Transportation and Infrastructure Fund.

Pros:

- (1) Improves operations, safety, and port access.
- (2) Partner with the city to advance construction.
- (3) Implement commitments of the 2015 Heavy Haul Agreement.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

This agreement represents a partnership investment by the Port of \$5,500,000 in the City's project, for which the Seattle Department of Transportation (SDOT) current cost estimate is \$38,130,000 for the construction phase.

Three payments would be made on a reimbursement basis as work is completed:

- \$2,200,000 at 50% progress
- \$2,200,000 at Substantial Completion and
- \$1,100,000 at Final Acceptance

This payment schedule supersedes the requirement in Paragraph 3.2.iv of the Heavy Haul Agreement limiting annual contributions to Two Million Dollars (\$2,000,000) during any single calendar year.

Funding is included in the Heavy Haul Agreement budget of \$20 million, with funding reserved in the Port's Transportation and Infrastructure Fund.

ATTACHMENTS TO THIS REQUEST

- (1) 2015 Heavy Haul Memorandum of Agreement
- (2) Draft East Marginal Way Memorandum of Understanding
- (3) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 22, 2015 – The Commission authorized the Chief Executive Officer to sign a MOU with the City of Seattle to contribute between \$10 million and \$20 million through 2035 for future roadway repair and construction projects located within Seattle's Heavy Haul network to benefit the movement of cargo within the Seattle harbor.