

# Puget Sound Gateway Program

## SR 167 and SR 509 Completion Projects

Funding and Phasing Subcommittee  
March 8, 2018

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# Agenda

- Welcome and Introductions
  - Introductions
  - Welcome new members
  - Legislative update
  - Grant update
- Benefit Assessments
- Funding and Phasing
- Memorandum of Understanding
- Coalition Strategy
- Next Steps

# Grant Strategy: The Concept

- Fundraising partnership
- Leverage up partner match with grants
- Provide benefit assessments to partners
- Scale match contributions to benefit
- Pursue grants and apply toward local share
- **Keep the project on schedule!**

# Grant Strategy: The numbers

<b>Projects</b>	<b>SR 167</b>	<b>SR 509</b>	<b>TOTAL</b>
<b>Port contributions</b>	\$30 million	\$30 million	\$60 million
<b>Federal INFRA grant</b>	\$10 million	\$10 million	\$20 million
<b>Local partner match</b>	\$10 million	\$10 million	\$20 million
<b>Other Grants (PSRC, FMSIB, TIB)</b>	\$20 million	\$10 million	\$30 million
<b>Potential Total</b>	<b>\$70 million</b>	<b>\$60 million</b>	<b>\$130 million</b>

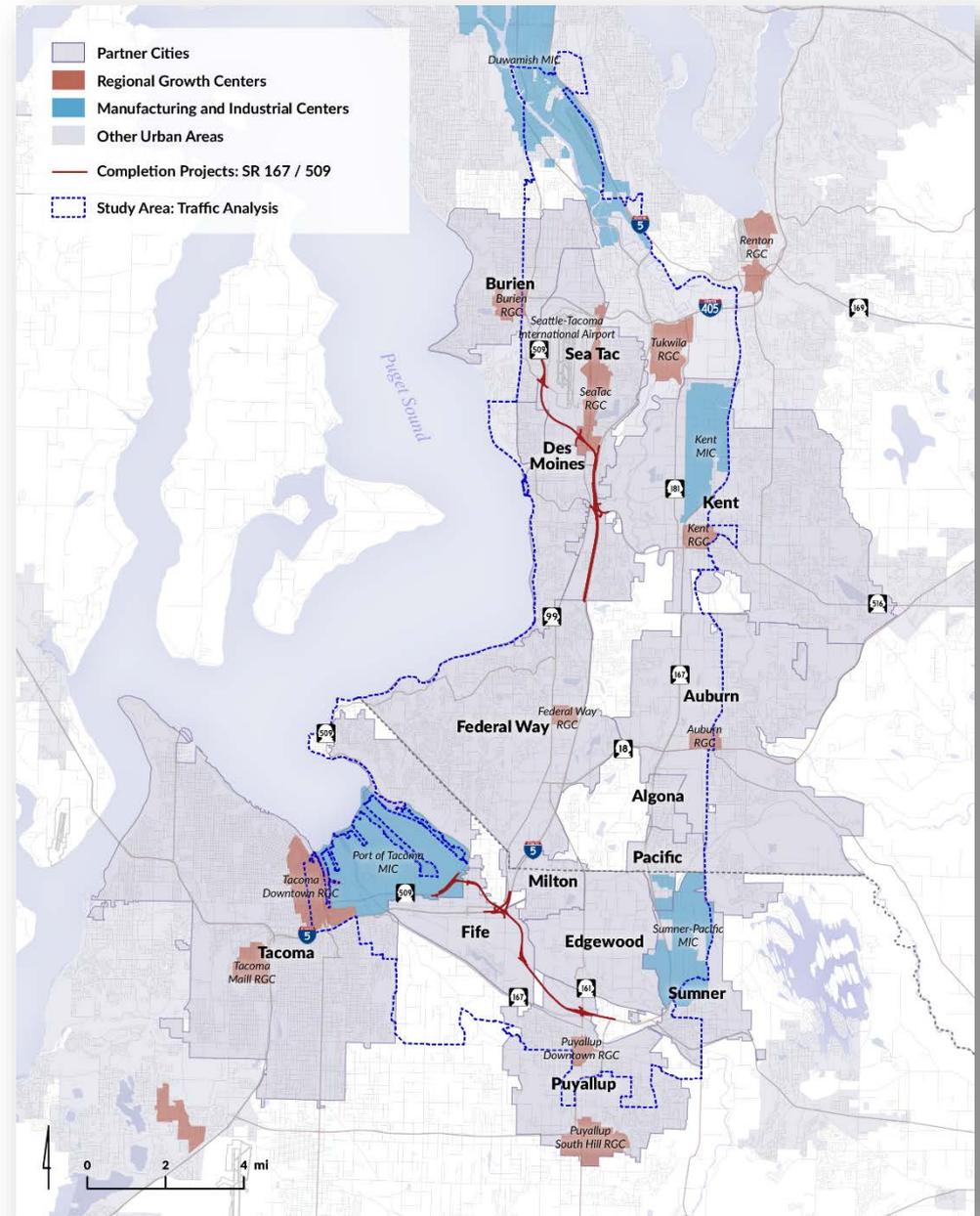
# Grant Update

- Fife Interurban Trail, Capital Budget
  - \$1,200,000
- Fife 70<sup>th</sup> Avenue E Bottleneck, FMSIB
  - \$5,000,000
  - Application due March 30
- Kent Veterans Drive West Corridor Completion, PSRC
  - \$4,500,000
  - Cleared SCATBrd
  - Due March 9 and April 19
- SeaTac Access (SR 509 Stage 1), PSRC
  - \$4,500,000
  - Due April 19
- Port of Tacoma Spur, I-5/SR 167 to SR 509, PSRC
  - \$4,500,000
  - Cleared Pierce County TCC, PSRC
  - Due April 19

# Local Benefit Assessments

# Overview

- Assessments of local net benefits provided for cities and counties in the study area
- Not an “invoice”, but an overall evaluation of net benefits to support MOU development
- Based on “Build” versus “No Build” scenarios



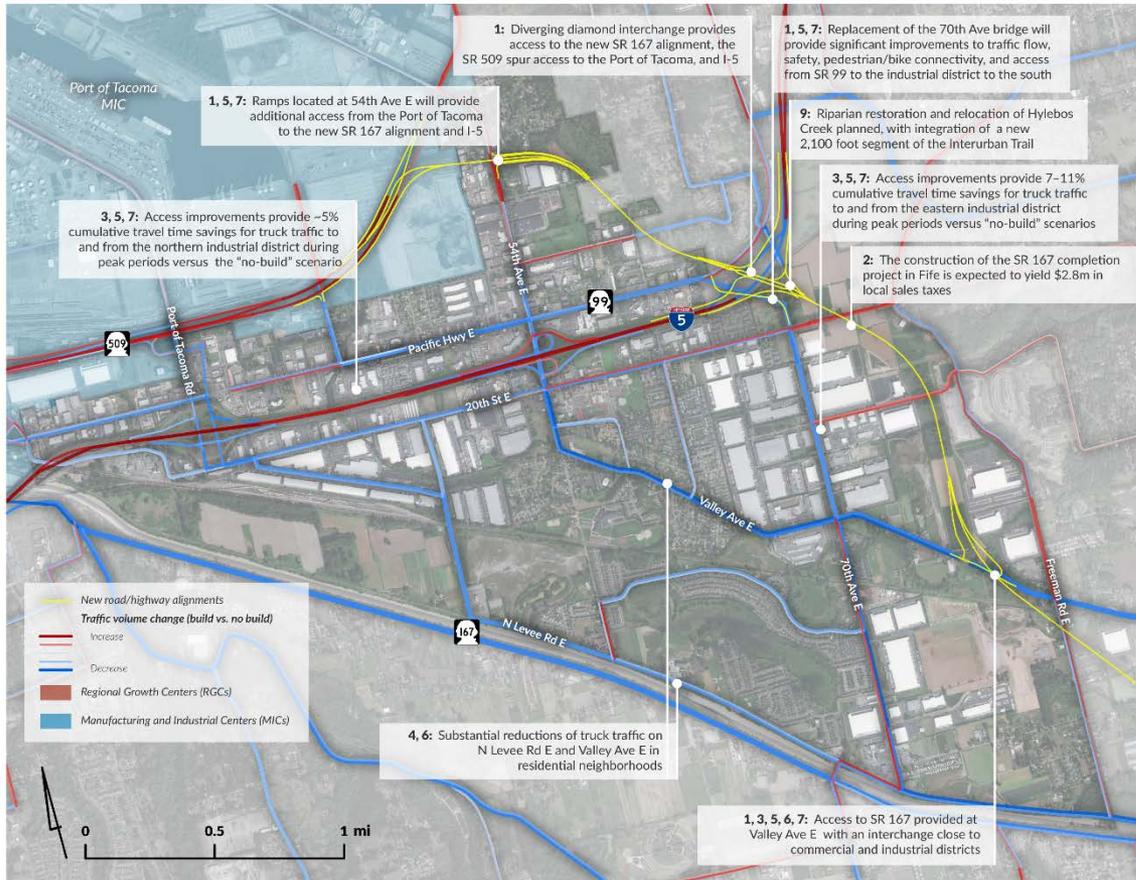
# Categories of Local Net Benefits

1. Direct **transportation linkages**
2. Effects on **local sales taxes**
3. **Travel time savings**
4. **Traffic diversion** from local streets
5. Effects on **local employment**
6. Effects on **developable residential lands**
7. Effects on **developable employment lands**
8. Achievement of **local policy goals**
9. **Environmental and social benefits**

# Overview of Assessments

## Puget Sound Gateway Partner Assessment

City of Fife



DRAFT: 23 February 2018

### Overview

<b>Population:</b>	10,100 (2016 est.)
<b>Employment:</b>	13,321 (2016)
<b>Operating Budget:</b>	\$98.8 million (2017)

The City of Fife is expected to receive **high** net local benefits under the Puget Sound Gateway Program, based on the characteristics summarized below:

- 1. Direct transportation linkages
- 2. Effects on local sales taxes
- 3. Travel time savings
- 4. Traffic diversion from local streets
- 5. Effects on local employment
- 6. Effects on developable residential lands
- 7. Effects on developable employment lands
- 8. Achievement of local policy goals
- 9. Environmental and social benefits

Fife includes approximately 2.7 miles of the planned SR 167 Completion Project and the I-5 to SR 509 Port of Tacoma Access spur. The 70th Ave E bridge replacement project is also sited on the northern boundary of the City, which incorporates supporting projects to extend the Interurban Trail and restoration of surrounding wetlands.

The completion of these projects will provide substantial improvements to traffic flow and safety within the area. The realignment of SR 167 will divert a significant amount of regional traffic from Valley Ave E and other surface streets in the City, onto the new limited access highway. This will provide substantial benefits to safety and maintenance of local streets. The replacement of the 70th Ave E bridge will also increase the capacity of this connection and enhance safety at the intersection with SR 99, reducing bottlenecks for local traffic from Fife.

#### For More Information

[www.wsdot.wa.gov/projects/gateway](http://www.wsdot.wa.gov/projects/gateway)

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## EXAMPLE

# Overview of Assessments

## Proposed Participation Level: Tier One

Per the Policy adopted by the Puget Sound Gateway Funding and Phasing Subcommittee outlining three tiers of participation, the City of Fife commits to the following responsibilities as a **Tier 1** partner:

- **Contribute to local nexus projects.** The City would commit to providing funding and rights-of-way (if applicable) to local nexus projects that would constitute part of the SR 167 completion program. This would include the 70th Avenue Bridge Relocation, Interurban Trail, and I-5 to SR 509 Port of Tacoma Access projects.
- **Sponsor, initiate and help write grants.** The City would commit to sponsoring grants for local nexus projects and overall project development, and provide staff support for grant writing as required.
- **Support project and grant requests.** The City would commit to supporting project and grant requests that are included under the Gateway Program. This includes providing letters of support to grant applications as necessary, and coordinating applications for other transportation funding to reduce conflicts.
- **Participate in project meetings and reviews.** The City would commit to participating in project meetings and project development reviews for the Puget Sound Gateway Program and allocate sufficient staff time for attendance and participation.

### What Tiers are included under the assessments?

The Partner Assessments are structured around three Tiers that classify the levels of benefit received by each community along a continuum, and define the resource commitments to the Puget Sound Gateway Project:

- **Tier 1** communities are serviced directly by the new highway alignments, and receive significant direct benefits due to improved accessibility.
- **Tier 2** communities are located close to the new highway alignments, and receive moderate to high benefits due to improved accessibility.
- **Tier 3** communities receive overall benefits from improvements to regional accessibility, but only receive nominal benefits directly.

DRAFT: 23 February 2018

## What Are the Net Benefits to the City of Fife?

The Puget Sound Gateway Program is expected to provide the following net benefits to the City of Fife:

### Direct Effects

- **New linkages are created to regional and local transportation networks.** These include multiple connections between the new SR 167 alignment to the City of Fife at Valley Ave E and 54th Ave E. Additionally, the relocated 70th Ave E bridge and associated changes to the street configuration address bottlenecked traffic and improve local connections across I-5. **(1,3)**
- **Both single and high-occupancy vehicles will experience moderate to high overall travel time savings.** Compared to the no-build scenario, there will be moderate improvements in commuting travel time, primarily during AM peak hours, because of improved access to I-5 and the Port of Tacoma. On average, expect total travel time savings to range from 3% for northern residential neighborhoods, 6% for central residential neighborhoods and almost 10% for communities in the southwest of the city. **(3)**
- **There will be moderate to high overall travel time savings for truck traffic due to improvements to the 70th Ave E Bridge and Valley Ave E access.** Modeling indicates that 7–11% overall time savings versus the "no build" scenario are expected for the eastern portion of the city, and 4–6% savings for other areas of the city. **(3)**
- **Significant truck traffic will be diverted from city streets onto the new SR 167 alignment.** Expect a 44% reduction in truck traffic VMT on local streets during AM peak periods and 42% during PM peaks, especially on Valley Ave E, 54th Ave, and N Levee Rd E close to residential neighborhoods. Other significant benefits include reduced maintenance, capacity improvements, and local safety. **(4)**
- **Fife will receive significant sales tax revenue from project construction.** Based on a preliminary assessment of the SR 167 and SR 509 Spur/Port of Tacoma access elements, Fife should receive about \$2.8 million in local sales tax from construction activities alone. This is about 54% of the total sales taxes generated by cities from the SR 167 Completion Project. About 69% of this total is expected from Stage 1A/1B. **(2)**

### Indirect Effects

- **Good local and regional transportation connections will maintain Fife's economic competitiveness.** About half of Fife's local employment comes from trade, warehousing and transportation. Fife's industries require strong transportation access with I-5 and the Port of Tacoma. PSRC 2016 employment data indicate that Fife has 4,288 employees in "Wholesale Trade" and "Transportation and Warehousing", or over 32% of total covered employment. Retail Trade, which also depends on strong regional and local transportation connections accounts for an additional 15% of local employment. **(5)**
- **Addressing future traffic congestion may improve conditions for local residential development.** There will be moderate improvements to commute time and accessibility for developable and underutilized residential areas along Valley Ave E in central and southeastern Fife. In addition, vacant residential sites along N Levee Rd E and in the mixed-use zones along Valley Ave E would be well-positioned for additional residential development after the completion of Stage 2. **(6)**
- **Improving accessibility can support the development of vacant and underutilized employment lands.** New linkages in the city will improve accessibility to I-5 and the Port of Tacoma from vacant and underdeveloped properties, especially those lands on the Pacific Hwy E and 20 St E corridors and mixed-use lands close to the proposed Valley Ave E access to SR 167. Larger scale development on vacant industrial sites may require coordination with railroad companies (primarily Union Pacific) and the Puyallup Tribe. **(7)**
- **Impacts on retail sales taxes may be possible, depending on mitigation to affected land and business owners.** There may be temporary impacts on retail sales resulting from acquisition of right-of-way between 4th St E and 8th St E in northern Fife, which includes several wholesale and retail businesses. The SR 167 and I-5 interchange construction may disrupt businesses and require relocation for properties. The ultimate impacts will depend on where these businesses relocate. **(2)**

### Social and Policy Effects

- **Several policies in the City Comprehensive Plan support development of the SR 167 project.** Fife's 2015 Comprehensive Plan cites actions related to SR 167 to relieve regional and local traffic congestion (Policy Implementation 4.1.1, pg. 3-38), and spur private investment in the community by increasing public investment in transportation infrastructure (Policy Implementation 6.3, pg. 8-7). **(8)**
- **The City Transportation Improvement Program incorporates SR 167 project elements.** The 2017–2022 Transportation Improvement Program includes the replacement of the 70th Ave E Bridge and associated widening and reconstruction of the roadway. **(8)**
- **Riparian and wetlands mitigation and restoration at the I-5 interchange will be incorporated into the Program.** The Program includes significant riparian and wetlands restoration as part of the development of the interchange between SR 167 and I-5 to mitigate flooding and improve degraded habitats in this area. **(9)**
- **The development of the Interurban Trail will be integrated with the Program.** A segment of the Interurban Trail planned near the proposed I-5/SR 167 interchange provides for a 2,100-foot segment of non-motorized trail and a permanent trail-head parking facility, as well as ongoing bicycle and pedestrian improvements in the city. Additional extensions of the trail system will connect the network with trails in the Milgard and Hylebos Creek Nature Areas. **(9)**

# Local Benefit Summary

		1	2	3	4	5	6	7	8	9
		Direct transportation linkages	Impacts to local sales taxes	Travel time savings	Traffic diversion from local streets	Impacts to local employment	Impacts to developable residential lands	Impacts to developable employment lands	Achievement of local policy goals	Environmental and social benefits
TIER 1	Fife	●●●●	●●●●	○●●●	●●●●	●●●●	○●●●	○●●●	●●●●	○●●●
	Puyallup	●●●●	○●●●	●●●●	○●●●	●●●●	●●●●	○●●●	●●●●	○●●●
	Kent	●●●●	○●●●	○●●●	○●●●	●●●●	●●●●	●●●●	○●●●	○●●●
	SeaTac	●●●●	●●●●	○●●●	○●●●	●●●●	○●●●	○●●●	●●●●	○●●●
	Tacoma	●●●●	○●●●	○●●●	○●●●	●●●●	○●●●	○●●●	●●●●	○●●●
TIER 2	Des Moines	○●●●	○●●●	○●●●	●●●●	○●●●	○●●●	○●●●	●●●●	○●●●
	Sumner	○●●●	○●●●	●●●●	○●●●	●●●●	○●●●	●●●●	○●●●	○●●●
	Pacific	○●●●	○●●●	○●●●	○●●●	●●●●	○●●●	●●●●	○●●●	○●●●
TIER 3	Federal Way	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●
	Milton	○●●●	○●●●	○●●●	●●●●	○●●●	○●●●	○●●●	○●●●	○●●●
	Edgewood	○●●●	○●●●	○●●●	●●●●	○●●●	○●●●	○●●●	○●●●	○●●●
	Algona	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●
	Auburn	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●
	Burien	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●	○●●●

# Regional Benefit Summary

		1	2	3	4	5	6	7	8	9
		Direct transportation linkages	Impacts to local sales taxes	Travel time savings	Traffic diversion from local streets	Impacts to local employment	Impacts to developable residential lands	Impacts to developable employment lands	Achievement of local policy goals	Environmental and social benefits
TIER 1	Port of Tacoma	● ● ● ●	N/A	● ● ● ●	● ● ● ●	● ● ● ●	N/A	● ● ● ●	● ● ● ●	○ ○ ○ ●
	Port of Seattle	● ● ● ●	N/A	● ● ● ●	○ ● ● ●	● ● ● ●	N/A	○ ● ● ●	○ ● ● ●	○ ○ ○ ●
TIER 2	Pierce County	○ ○ ● ●	● ● ● ●	○ ● ● ●	○ ● ● ●	○ ● ● ●	○ ○ ● ●	○ ● ● ●	● ● ● ●	○ ○ ● ●
	King County	○ ○ ● ●	○ ● ● ●	○ ○ ● ●	○ ○ ● ●	○ ● ● ●	○ ○ ● ●	○ ● ● ●	○ ● ● ●	○ ○ ● ●

# Findings / Next Steps

- **Each community has a different business case:**
  - Reductions in travel time
  - Reduced cut-through of truck traffic
  - Improved access for commercial/industrial activities
  - Direct sales tax receipts
- We will be engaging in dialogue to ensure each community has the information needed to move forward with the process

# Funding and Phasing Mechanism in MOU

# Local Funding and Phasing Assumptions

- Gateway continues to be of benefit to all partners
- Grant focused strategy will leverage local match funds with grants to provide a portion of the \$130 million required by ESB 5096
- MOU will require commitments to match, but funds are paid in the future during project construction
- We must have a strategy to seek other fund sources should we not achieve 100% success in our submittals.
- Grants for Stage 1 in 2018-19, Stage 2 in 2020-22

# RECAP: Accomplishments to Date

- ✓ Concurrence on subcommittee principles
- ✓ Grant Focused Strategy is the path to obtain local match
- ✓ Briefings with most local partners
- ✓ Completed draft Local Benefit Assessments
- ✓ Concurrence on funding and phasing policy
- ✓ Concurrence on elements of MOU
- ✓ Currently seeking 5 grants for nearly \$20,000,000

# Grant and Match Financial Plan: Stage 1 and Ports

Local Nexus Project	Program	Target	Target Amt	Match	Partner
70th Ave E	FMSIB	Mar 2018	\$5M	\$1.6M	Fife
	TIB	Aug 2018	\$5M	\$0.5M \$3M	Tacoma Port of Tacoma
Veterans Dr	PSRC	Apr 2018	\$4.5M	\$1M	Kent
	TIB	Aug 2020	\$5M		
Sea Tac Access	PSRC	Apr 2018	\$4.5M	\$1M	Kent SeaTac (ROW)
				\$2M	
Port of Tacoma Spur	PSRC	Apr 2018	\$4.5M	\$1.5M	Tacoma Port of Tacoma
				\$3M	
All Gateway	INFRA	Nov 2017	\$20M	\$24M	Port of Tacoma Port of Seattle
				\$30M	
<b>STAGE 1 TOTAL</b>			<b>\$48.5M</b>	<b>\$67.6M</b>	<b>\$116.1M</b>

# Grant and Match Financial Plan: Stage 2

Local Nexus Project	Target	Target Amt	Match	Partner
SR 167/ Meridian W	2023	\$3M	\$2M	Puyallup
SR 167/Valley Ave	2023	\$3M	\$2M	Pierce County
SR 509/188 <sup>th</sup> IC	2023			SeaTac
SR 167 Stage 2	2023	\$4M	\$.5M	Edgewood Sumner
SR 509 Stage 2	2023	\$4M		Des Moines
<b>STAGE 2 TOTAL</b>		<b>\$14M</b>	<b>\$4.5M</b>	<b>\$18,500,000</b>
<b>PROGRAM TOTAL</b>		<b>\$62.5M</b>	<b>\$72.1M</b>	<b>\$134,600,000</b>

# Grant Strategy Balance Sheet

Source	Planned Revenue	Notes
City/County Match	\$12.1M	Some potential partners unresolved
Port Match	\$60M	
Grants	\$62.5M	May not receive all planned grants
<b>TOTAL</b>	<b>\$134.6M</b>	

# Grant Strategy Status

- Strength of the partnership is growing.
- Large amount of funding continues to be challenging to obtain.
- Financial Plan is optimistic, but within program capabilities.
- Unlikely that all grant funding will be obtained, particularly in round one, must keep cycling.
- INFRA remains a key risk, future INFRA rounds, TIGER rounds or new national funding may be necessary.

# Memorandum of Understanding Process

# MOU Development Process



# Substantive Elements of MOU

## 1. Participating parties

- Signatories will be partners that provide a local commitment to Gateway

## 2. Background and purpose of MOU

- Connecting Washington revenue package
- Role of WSDOT
- Role of Executive Committee
- Funding overview
- Legislative requirement for local match
- Role of Funding and Phasing Subcommittee

# Substantive elements of MOU, cont'd

## 3. Local Funding Strategy

- Introduces the concept of Local Nexus projects
- Describes projects

## 4. Local Participation Policy

## 5. Benefit Assessment methodology

## 6. Local Jurisdiction Contributions

- By Project
- By Stage

## 7. Conditions and process for amending the MOU

# Substantive elements of MOU, cont'd

## 7. Conditions and process for amending the MOU

- Amendment process
- Dispute resolution
- Conditions for termination
- Period of agreement

## 8. Signatories

### Next Steps

- Draft language sent to F&P members for review
  - Comments provided to Rita by March 30
- Review Draft MOU at April 5 Executive Committee meeting

# Discussion

Mobilizing Our Coalition:  
What will it take to get there?

# Next Steps

- Send partner assessments and draft MOU to stakeholders for review
- Meetings:
  - Steering Committee – March 28
  - Executive Committee – April 5
  - Funding & Phasing Subcommittee – first week of May
  - Funding & Phasing Subcommittee – first week of June
  - Steering Committee – last week of June
  - Executive Committee – second week of July

## More information:

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