

BILL SUMMARY & FISCAL NOTE

| Department: | Contact Person/Phone: | Executive Contact/Phone: |
|--------------------|------------------------------|---------------------------------|
| SDOT | Mike Estey/4-8132 | Doug Palmer/4-5266 |

1. BILL SUMMARY

Legislation Title: An ORDINANCE related to special permits for the limited movement of vehicles carrying sealed ocean-going containers in excess of the legal weight limits; adopting a new chapter 11.61 to the Seattle Municipal Code establishing such a special permit system; authorizing the Department of Transportation to execute an agreement with the Port of Seattle to accept funds; creating a Commercial Vehicle Enforcement Officer position to monitor and enforce the heavy haul network and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation identifies a heavy haul network of city streets and establishes a permit to allow for the drayage of heavy sealed ocean-going containers between Port of Seattle facilities and nearby intermodal operators. The legislation creates a \$200 annual permit for truck tractors to transport sealed containers on designated heavy haul streets in excess of weights that would otherwise require those container loads to be divided. The provisions in this legislation are similar to those found in the City of Tacoma's adopted ordinance, which has provided the authority and regulations for their heavy haul network for the past several years.

Background: The Port of Seattle is currently at a competitive disadvantage compared to many other West Coast ports with similar heavy haul networks. Cargo shipped through Seattle often involves heavy products packed densely into containers, which sometimes results in overweight loads traveling on city streets. This legislation identifies a limited number of specific city streets to allow for the safe and efficient movement of these containers that can be effectively regulated, monitored and enforced.

The legislation establishes a \$200 annual heavy haul permit. The Executive is requesting an additional Commercial Vehicle Enforcement Officer (CVEO) position to ensure effective enforcement of truck regulations and safety rules in the SODO and Port terminal areas.

Estimated program costs:

- 2016: \$250,000, including \$90,000 in one-time start-up costs for a new enforcement vehicle, one set of portable truck scales, and IT costs to establish a new permit in SDOT's system; plus \$170,000 for the annual costs of one CVEO, vehicle costs and permit production.
- 2017: \$170,000 for the annual ongoing costs of one CVEO, vehicle costs and permit production.

Estimated annual permit revenues are \$80,000 in the first year and \$100,000 in the second year, based on an estimate of 400 permits issued in the first year and 500 permits in the second year.

Estimated permit revenues will not fully recover the estimated costs of the CVEO and administration of the program. The Port of Seattle has agreed to pay the City up to \$250,000 in 2016 and 2017 to help offset costs. See the attached MOU for more details about the Port's commitment to pay initial program costs and implementation costs for 2016 and 2017.

In addition, the Port has agreed to contribute between \$10,000,000 and \$20,000,000 over the next 20 years to fund future roadway improvements within the heavy haul network. The actual Port contribution will be determined within six months by a study that will be commissioned and paid for by the Port and the City. See the attached MOU for more details about the Ports commitment to pay for future roadway improvements.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

This legislation has direct financial implications.

| | | | | | |
|---|--------------------------------|-------------|-------------------------------|-------------|-------------|
| Budget program(s) affected: | | | | | |
| Estimated \$ Appropriation change: | General Fund \$ | | Other \$ | | |
| | 2015 | 2016 | 2015 | 2016 | 2017 |
| | | | | \$250,000 | \$170,000 |
| Estimated \$ Revenue change: | Revenue to General Fund | | Revenue to Other Funds | | |
| | 2015 | 2016 | 2015 | 2016 | 2017 |
| | | | | \$250,000 | \$170,000 |
| Positions affected: | No. of Positions | | Total FTE Change | | |
| | 2015 | 2016 | 2015 | 2016 | 2017 |
| | | 1.0 | | 1.0 | 1.0 |
| Other departments affected: | | | | | |

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Dept. | Revenue Source | 2015 Revenue | 2016 Estimated Revenue | 2017 Estimated Revenue |
|-----------------------------|--------------|------------------------------|---------------------|-------------------------------|-------------------------------|
| | SDOT | Permit revenues | | \$80,000 | \$100,000 |
| | | Port of Seattle contribution | | \$180,000 | \$70,000 |
| TOTAL | | | | \$250,000 | \$170,000 |

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

After 2017, the City will need to determine how best to fully fund the administration and enforcement of this program, because the estimated permit revenues will not fully cover program costs.

SDOT will assess potential impacts on city streets identified for use through the heavy haul network and will evaluate the potential impacts on identified roadways like East Marginal Way South. SDOT will work collaboratively with the Port of Seattle to identify funding sources to support long-term capital needs of the heavy haul program and other freight mobility projects.

b) Is there financial cost or other impacts of not implementing the legislation?

If the Port of Seattle remains at a competitive disadvantage, the multiple economic benefits to the city of a thriving, active Port would be lessened.

c) Does this legislation affect any departments besides the originating department?

No.

d) Is a public hearing required for this legislation?

No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

f) Does this legislation affect a piece of property?

No.

g) Other Issues: None

List attachments below:

Attachment A: Proposed Heavy Haul Network

Attachment B: Heavy Haul Network MOU