



## **MEMORANDUM OF UNDERSTANDING**

### **FOR INTERGOVERNMENTAL COOPERATION BETWEEN THE PORT OF SEATTLE AND THE CITY OF SEATTLE FOR FUTURE ROADWAY REPAIR AND ROADWAY CONSTRUCTION PROJECTS LOCATED WITHIN SEATTLE'S HEAVY HAUL NETWORK**

This Memorandum of Understanding (“MOU”), effective the below marked date of its complete execution, is entered into by PORT OF SEATTLE, a special purpose municipal corporation (“Port”), and the CITY OF SEATTLE, a Washington municipal corporation (“City”), (collectively the “Parties”). For and in consideration of the mutual covenants contained herein, the Port and the City agree as follows regarding the Port’s future contributions towards roadway repair and roadway construction projects within the Heavy Haul Network.

#### **RECITALS**

**WHEREAS**, import containers that are shipped by rail from the Port of Seattle can exceed weight limits allowed on state highways and local streets; and

**WHEREAS**, the Port of Seattle is served by two intermodal rail hubs – the Burlington Northern Railway’s Seattle International Gateway and Union Pacific’s Argo Yard – that require containers to be trucked (drayed) on local streets from the Port’s marine terminals; and

**WHEREAS**, local transload businesses that reconsolidate container loads may also receive heavy import containers that must be trucked from the marine or rail terminals; and

**WHEREAS**, to address this conflict, other West Coast ports, including Los Angeles, Long Beach and Tacoma, have created heavy haul networks to move cargo over short distances at low speeds within their harbor areas on standard marine chassis; and

**WHEREAS**, the City’s existing load limits put the Port at a competitive disadvantage with other West Coast ports; and

**WHEREAS**, Chapter 46.44 of the Revised Code of Washington authorizes the City to issue a special permit authorizing the applicant to operate or move a vehicle or combination of vehicles of a load exceeding the maximum weight upon City rights of way; and

**WHEREAS**, a heavy haul network will create a better working environment for truck owners and shippers by enabling them to compete more effectively for cargo by reducing costs and expediting the movement of goods, without compromising safety; and

**WHEREAS**, shippers, truck owner-operators, trucking companies, railroads and the Port have an interest in increasing cargo volumes through the city and are requesting the establishment of a heavy haul network linking marine terminals to local railheads and nearby transload facilities; and

**WHEREAS**, the City, Port, and State have made significant investments to maintain and improve access to and from the marine port with rebuilt roadways, new bridges, and new road connections; and

**WHEREAS**, the City supports the Port's efforts to enhance its competitiveness in international and national trade; and

**WHEREAS**, the City wants to implement transportation related measures that will grow Seattle's diverse economy and support living wage jobs; and

**WHEREAS**, the City and Port agree that creating a heavy haul network will result in some accelerated damage to existing roadways and additional cost for future roadway repair and rebuilding projects within the heavy haul network; and

**WHEREAS**, the City and Port agree that implementing a heavy haul network will require an enforcement officer to monitor the network and ensure the safety for all roadway users;

**NOW THEREFORE**, in consideration of mutual promises and covenants contained herein, the Parties hereby agree to the terms and conditions as follows:

## **1.0 ADOPTION OF HEAVY HAUL NETWORK LEGISLATION**

1.1 The City will make its best effort to adopt heavy haul legislation in 2015.

1.2 To support the legislative process, the Port will satisfy all reasonable requests from the City for supporting materials and information regarding Port operations.

1.2 The City and Port agree that this MOU is valid only if heavy haul network legislation, including all of the following elements, is fully adopted by the City:

- i. The adopted heavy haul network legislation includes all routes contained in Attachment A; and
- ii. The adopted heavy haul network legislation allows for a maximum tandem drive axle weight of 43,000 pounds and a maximum gross vehicle weight of 98,000 pounds;

## **2.0 DETERMINING THE IMPACT OF OVERWEIGHT TRUCKS**

2.1 City and the Port engineers agree that allowing overweight trucks will result in some accelerated damage to existing roadways and additional costs for future roadway repair or rebuilding projects within the heavy haul network, described as follows:

- i. Accelerated damage of existing roadways is estimated to be equal to approximately 10% of the cost to repair said roadway; and
  - ii. Additional project costs for roadway repair and construction projects is estimated to be equal to approximately 10% of the cost of said project.
- 2.2 The City and Port agree that, within six months of complete execution of this MOU, the City and Port will jointly commission and pay an equal share of a study to determine the true impacts of overweight trucks to existing roadways and additional costs for future roadway repair or rebuilding projects within the heavy haul network.
- 2.3. The City and Port agree that, in order to determine future impacts of overweight trucks to the heavy haul network, the study described in Section 2.2 will be updated every five years and issued before June 30, 2021, 2026, and 2031.
- 2.4 The City and Port agree that all dollar figures contained within this MOU will be adjusted to current dollars when the study described in Section 2.2 is updated per Section 2.3. The dollar figures will be updated using the Consumer Price Index provided by the United States Bureau of Labor Statistics or its successor.

### **3.0 PORT FINANCIAL COMMITMENT**

- 3.1 The Port agrees to pay the City up to \$250,000 in support of heavy haul network implementation and operations through 2017, detailed as follows:
  - i. Upon adoption of the heavy haul network legislation, \$90,000 to account for one-time start-up costs, including an enforcement vehicle, portable truck scales, and administrative costs to establish a new permit type;
  - ii. In 2016, up to \$90,000 towards the difference between annual permit revenues and annual operational costs; and
  - iii. In 2017, up to \$70,000 towards the difference between annual permit revenues and annual operations costs.
- 3.2 The Port agrees to pay the City a minimum of \$10,000,000 and maximum of \$20,000,000 over the next 20 years to account for accelerated damage to existing roadways and additional costs for future roadway repair or rebuilding projects within the heavy haul network, subject to the following:
  - i. If the study described in Section 2.2 shows that accelerated damage to existing roadways and additional costs for future roadway repair or rebuilding projects within the heavy haul network equal between \$10,000,000 and \$20,000,000, the Port will pay the amount determined by the study; and
  - ii. If the study described in Section 2.2 shows that accelerated damage to existing roadways and additional costs for future roadway repair or rebuilding projects

within the heavy haul network equals less than \$10,000,000 or more than \$20,000,000, the Port and City agree to renegotiate the terms of this agreement.

- iii. The Port's required payment will not exceed \$2,000,000 during a single calendar year, unless the Port chooses to pay a greater amount;
- iv. The Port and City agree on designs for roadway repair and construction projects within the heavy haul network. The City will not order or approve any design changes that negatively affect the traffic level of service or reduce the benefits of the roadway construction projects for the Port without first obtaining the Port's written approval of the design changes.

3.3 If future studies described in Section 2.3 show that, due to increased overweight truck traffic or other changed circumstances, the impact of overweight trucks within the heavy haul network has increased, the Port agrees increase its contribution according to the findings of the study, up to the maximum payment described in Section 3.2.

#### **4.0 DURATION**

4.1 This MOU shall be effective between the City and the Port until December 31, 2036.

#### **5.0 TERMINATION**

5.1 The agreement may be terminated prior to December 31, 2036, only by a written instrument executed by each of the parties hereto.

#### **6.0 SUCCESSORS AND ASSIGNS**

6.1 This MOU shall be binding and inure to the benefit of the Parties hereto and their respective successors and assigns.

6.2 Neither this MOU nor any term or provision hereof, or any inclusion by reference, shall be construed as being for the benefit of any party not a signatory hereto (except for any successors and assigns thereto). No other person or organization shall have any right of action based upon any provision of this MOU.

#### **7.0 GENERAL PROVISIONS**

7.1 The parties shall work to expeditiously answer requests for information and to provide approvals or consents provided for in this MOU. The parties agree to take further actions and execute further documents, either jointly or within their respective powers and authority, to implement the intent of this MOU. The Parties agree to work cooperatively with each other to achieve the mutually agreeable goals as set forth in this MOU.

7.2 This MOU shall be interpreted, construed and enforced in accordance with the laws of the State of Washington. Venue for any action under this MOU shall be King County, Washington.

Attachment 1

- 7.6 Each Party shall be responsible for its own costs, including legal fees, incurred in negotiating or finalizing this MOU unless otherwise agreed in writing by the parties.
- 7.7 This MOU may be amended only by a written instrument executed by each of the parties hereto.
- 7.8 This MOU constitutes the entire agreement of the parties with respect to the subject matters of this MOU, and supersedes any and all prior negotiations (oral and written), understandings and agreements with respect hereto.
- 7.9 Section headings are intended as information only, and shall not be construed with the substance of the section they caption.
- 7.10 In construction of this MOU, words used in the singular shall include the plural and the plural the singular, and “or” is used in the inclusive sense, in all cases where such meanings would be appropriate.
- 7.11 This MOU may be executed in several counterparts, each of which shall be deemed an original, and all counterparts together shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, each of the Parties has executed this MOU by having its authorized representative affix his/her name in the appropriate space below:

**CITY OF SEATTLE**

**PORT OF SEATTLE**

By: \_\_\_\_\_ Date \_\_\_\_\_

By: \_\_\_\_\_ Date \_\_\_\_\_

Edward B. Murray, Mayor  
City of Seattle

Ted J. Fick, Chief Executive Officer  
Port of Seattle

**ATTACHMENT A: STREETS TO BE INCLUDED WITHIN HEAVY HAUL NETWORK**

<b>Street</b>	<b>From</b>	<b>To</b>
South Atlantic Street	Alaskan Way South	1st Avenue South
Colorado Avenue South	South Atlantic Street	South Massachusetts Street
South Massachusetts Street	Colorado Avenue South	1st Avenue South
1st Avenue South	South Atlantic Street	South Holgate Street
Alaskan Way South	South Atlantic Street	South Holgate Street
East Marginal Way South	South Holgate Street	Diagonal Avenue South
South Holgate Street	1st Avenue South	6th Avenue South
6th Avenue South	South Massachusetts Street	South Holgate Street
South Hanford Street	East Marginal Way South	Occidental Avenue South
1st Avenue South	South Hanford Street	South Spokane Street
Occidental Avenue South	South Hanford Street	South Horton Street
South Horton Street	1st Avenue South	3rd Avenue South
13th Avenue SW	SW Florida Street	North to street end
SW Florida Street	16th Avenue SW	11th Avenue SW
11th Avenue SW	SW Florida Street	SW Lander Street
16th Avenue SW	SW Florida Street	Klickitat Avenue SW
Klickitat East Roadway Avenue SW	16th Avenue SW	13th Avenue SW
Klickitat West Roadway Avenue SW	16th Avenue SW	13th Avenue SW
SW Spokane North Roadway Street	13th Avenue SW	SW Spokane Street
SW Klickitat South Roadway Way	13th Avenue SW	SW Spokane Street
South Spokane Street Ramp	East Marginal Way South	South Spokane Street
West Marginal Way SW	26th Avenue SW	SW Spokane Street
SW Spokane Street	Chelan Avenue SW	East Marginal Way South
South Spokane SR Street	South Spokane Street	East Marginal Way South
Spokane Duwamish Bridge RP	South Spokane Street	Duwamish Avenue South Bridge
Duwamish Avenue South Bridge	Spokane Duwamish Bridge RP	East Marginal Way South
Diagonal Avenue South	East Marginal Way South	South Oregon Street
South Oregon Street	Diagonal Avenue South	Denver Avenue South
Denver Avenue South	South Oregon Street	Utah Avenue South
South Spokane Street	East Marginal Way South	Airport Way South
Airport Way South	South Spokane Street	South Edmunds Street
South Edmunds Street	Airport Way South	7th Avenue South