

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Department of Transportation	Gretchen M. Haydel/206 233-5140	Christie Parker 206 684-5211

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

#### **Legislation Title:**

AN ORDINANCE relating to the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program; authorizing the Director of the Department of Transportation to acquire, accept, and record both temporary and permanent property rights from abutting property owners located along West Marginal Way Southwest between 17th Avenue Southwest and Delridge Way Southwest, necessary or convenient for the Terminal 5 Quiet Zone Improvements project through negotiation or condemnation; placing the acquired real property rights under the jurisdiction of the Seattle Department of Transportation and designating for transportation, utility, and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.

#### **Summary and background of the Legislation:**

This legislation authorizes the Director of the Department of Transportation to acquire property rights necessary for the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program (the “Quiet Zone Project”) through negotiation or condemnation; designates the property for transportation, utility, and general municipal purposes; places it under the jurisdiction of the Seattle Department of Transportation (“SDOT”); and ratifies and confirms prior actions taken in connection with this ordinance prior to ordinance passage.

Terminal 5 of the Port of Seattle (“Terminal 5”) has long been considered a premier container cargo facility on the West Coast because of its naturally deep berth, wide footprint (185 acres), and the availability of an on-dock rail yard that allows containers to be directly loaded from the ship onto rail lines. Terminal 5 is one of four deep draft container cargo facilities in Elliot Bay. However, container vessels have been increasing in size over the last five years, triggering dramatic changes in the container shipping industry. The ultra-large vessels are requiring larger, heavier cranes, which in turn requires strengthening the dock and upgrading utilities.

Terminal 5 container operations were suspended in July 2014 to allow for the strategic investments necessary to handle future anticipated capacity. At that time the facility could only handle vessels with a maximum capacity of 6,000 20-foot equivalent units (“TEUs”). Vessels with capacity of more than 10,000 TEUs are currently calling on North American West Coast ports, and 18,000 TEUs vessels are expected to be more prevalent in the near future.

To that end, the Port of Seattle (the “Port”), in coordination with The Northwest Seaport Alliance, will be constructing the Terminal 5 Cargo Wharf, Berth Deepening, and Improvements Project (the “Terminal 5 Project”). This modernization renovation will transform Terminal 5 into a global container terminal that is equipped to handle two 18,000 TEUs ships simultaneously.

Main components of the Terminal 5 Project consist of berth deepening, dock strengthening, and power upgrades to handle larger cranes. The ground-breaking ceremony for the Terminal 5 Project was held in July 2019.

The Terminal 5 Project required an Environmental Impact Statement, which was published by the Port in October of 2016 (the “EIS”), and a decision under the Master Use Permit was published by the Seattle Department of Construction and Inspections in April of 2017 (the “MUP”). The EIS identified train horn noise required for public and private crossings and presence of human activity as an annoyance noise. One of the conditions of the MUP focused on addressing this concern by requiring the Port and SDOT, on behalf of the City of Seattle (the “City”), to enter into a Memorandum of Understanding to describe how the Port and the City would work together to secure approval of a U.S. Federal Railroad Administration (“FRA”) designated quiet zone between the West end of the train bridge across the West Waterway of the Duwamish and the Terminal 5 gate.

The Quiet Zone Project is part of the Terminal 5 Project and impacts West Marginal Way Southwest from 17<sup>th</sup> Avenue Southwest to Delridge Way Southwest (the “Street Corridor”). It will mitigate train noise generated by its operations along the Street Corridor, consistent with the terms of the MUP. The Quiet Zone Project will achieve this by managing and consolidating five different rail crossings into one public crossing, one public emergency crossing, a bike and pedestrian crossing, and one private crossing. The public crossings will include: a multiuse trail to benefit people biking and walking in the corridor, intelligent traffic signal improvements, minor streetscape improvements, and traffic signal timing changes. SDOT will also petition the FRA to establish a quiet zone designation for the Street Corridor.

The Terminal 5 Project will enhance the competitiveness of the region’s trade gateway by modernizing the terminal to handle projected capacity, which will create economic benefits including jobs, market access for exports grown and made in the region, and imports beneficial to the regional and national economy.

## **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**     Yes     No

## **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**     Yes     No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

The City will be providing property owners just compensation for the property acquisitions necessary to complete the Quiet Zone Project. The Port will reimburse the City for the acquisition expenses as provided for in the Memorandum of Understanding to Establish a Railroad Quiet Zone entered into by the City and the Port, dated August 29, 2017, as amended, which are anticipated to be about \$909,000. The budget for these expenditures is included in the Freight Spot Improvement CIP, which will be amended in a future budget ordinance to reflect the full reimbursement from the Port.

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

Yes. The Quiet Zone Project was designed and will be constructed in support of the Terminal 5 Project, which represents an estimated \$5 million investment in Terminal 5 to expand capacity and grow international marine cargo in the Seattle Harbor. The MUP published for the Terminal 5 Project requires the establishment of a quiet zone to mitigate train noise. Failure to meet this requirement will compromise the ability of the Port to meet the MUP conditions of the Terminal 5 Project, risking investment resources and economic development. Additionally, the establishment of a quiet zone was recommended by the EIS as a noise mitigation measure.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

Yes, the Department of Construction and Inspections has been instrumental in evaluating the Shoreline Substantial Development Permit, Shoreline Conditional Use Approval, and SEPA Analysis, as well as publishing a decision under the MUP for the Terminal 5 Project. The path forward for the MUP condition is unclear without the property acquisition.

**b. Is a public hearing required for this legislation?**

A public hearing is not required, but a public meeting that allows public comment is required. An opportunity for public comment will be provided during the Transportation and Utilities Committee meeting when the Committee is scheduled to vote on this Council Bill.

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

Yes. Under RCW 8.25.290, the City is required to publish notice of this action in both the Daily Journal of Commerce and the Seattle Times newspaper.

**d. Does this legislation affect a piece of property?**

Yes. Several parcels of property will be affected. At this time, we anticipate approximately

one partial fee acquisition, five temporary construction easements, and a permit(s) from BNSF.

- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

In coordination with the Port of Seattle, outreach will be conducted with the Pigeon Point neighborhood as it relates to construction. This neighborhood will likely be impacted by construction noise, as well as detour and backed-up traffic. Materials will be translated into Spanish and potentially additional languages, based upon the recommendations of the Seattle Department of Neighborhoods.

Additionally, outreach will include freight truck drivers who will be navigating detour traffic and most heavily using the corridor near Terminal 5. Materials for freight truck drivers may need to be translated into as many as 8 languages, including Amharic, Arabic, Punjabi, Russian, Somali, Spanish, Tigrinya, and Ukrainian.

Information about the Terminal 5 construction and reopening will also be shared with the West Seattle Bridge audiences due to its proximity to the High-Rise Bridge, Low Bridge, and detour route.

- f. Climate Change Implications**

- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This property acquisitions are needed to construct the Terminal 5 Quiet Zone Project. The Terminal 5 Quiet Zone Project implements a more efficient rail corridor and extends the bicycle and pedestrian network, which will shift transportation from trucks and single-occupancy vehicles to rail and non-motorized transportation. This modal shift reduces emissions and alleviates the impact of transportation-related emissions on climate change.

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

The Project makes the transportation network more resilient by enhancing the rail and non-motorized transportation modes to accommodate future growth in transportation and freight demand and providing for possible changes to transportation patterns.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

This legislation does not include a new initiative or a major programmatic expansion.

**List attachments/exhibits below:**

Summary Exhibit 1 – Vicinity Map