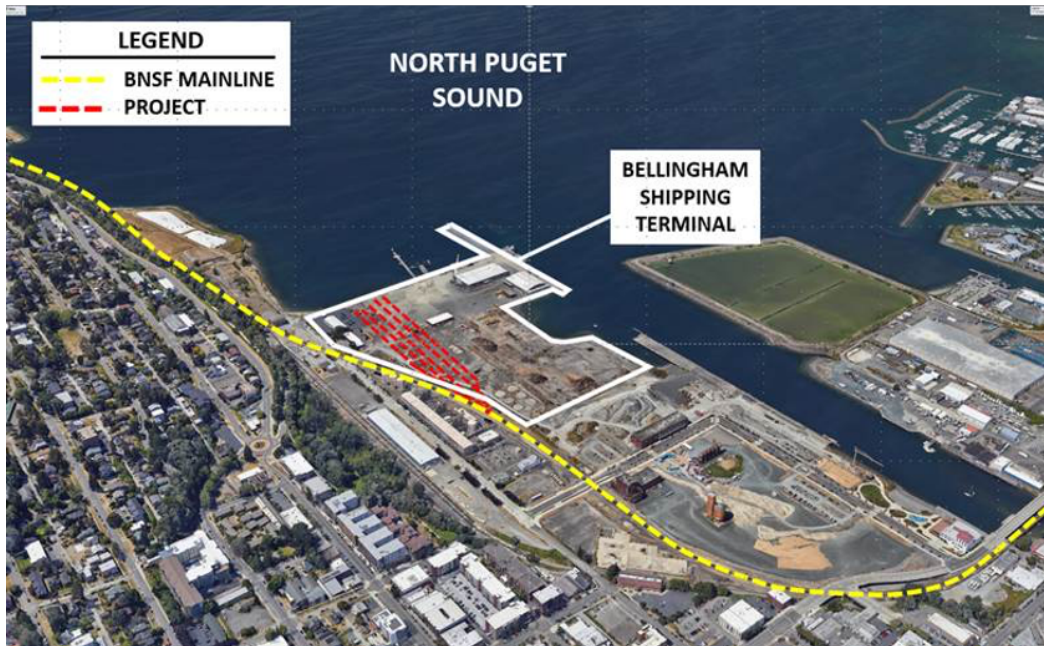




PORT OF BELLINGHAM

Washington State



PIDP Program FY 24 Grant Application

Bellingham/U.S. Advantage Rail Connection Project

UEI: NRYGMRVUBJA6

MAY 2024



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Introductory Information

Field Name	Guidance
Name of lead applicant	Port of Bellingham
Is the applicant applying as a lead applicant with any joint applicants?	No
Does the applicant or joint applicant own the property where the grant-funded improvements will occur?	Yes
Is the applicant seeking funding under the small project at a small port set-aside?	No
Project name	Bellingham/U.S. Advantage Rail Connection
Project description	This project restores the missing rail connection from the Bellingham Shipping Terminal to the BNSF mainline. It builds five loading tracks 5,995 feet in length with a 1,575 foot siding.
Is this a planning project?	No
Is this a project at a coastal, Great Lakes, or inland river port?	Coastal port
Is this project located in a noncontiguous State or U.S. territory?	No
Geographic Coordinates (in Latitude and Longitude format)	Latitude 48.746035 Longitude -122.488398
Is this project in an urban or rural area?	Rural
Project Zip Code	98225
Is the project located in a Historically Disadvantaged Community?	The Port is located in a federally-designated community development zone as a Qualified Opportunity Zone and a 2020 census-designated Rural Area. It sits in Census Tract 6, a recognized Area of Persistent Poverty (APP) and a Historically Disadvantaged Community (HDC).
Has the same project been previously submitted for PIDP funding?	No
Has the applicant previously received DOT funding for the same work or related scope of work?	No



Field Name	Guidance
Has the applicant previously received TIGER, BUILD, RAISE, FASTLANE, INFRA, USMHP, or PIDP funding?	Yes, USMHP FY23 and PIDP FY20
PIDP Grant Amount Requested	\$14,344,800
Total Project Cost	\$17,931,000
Total Federal Funding	\$14,344,800
Total Non-Federal Funding	\$3,586,200
Will the applicant be seeking approval to expend funds prior to grant agreement execution?	No
Will RRIF or TIFIA funds be used as part of the project financing?	No
Does the applicant use LOGINK or a similar logistics platform provided or sponsored by the People's Republic of China or Chinese state-affiliated entities?	No



Section I: Project Description

The Port of Bellingham (Port) requests \$14,344,800 in Fiscal Year 2024 Port Infrastructure Development (PIDP) Program grant funding for its **Bellingham/U.S. Advantage Rail Connection project** (project) which restores a direct rail connection at the Bellingham Shipping Terminal (BST) and adds track inside the terminal. The project supports the goals of PIDP by increasing safety, efficiency and reliability in and around the Bellingham region. It also offers unparalleled opportunities to reinvigorate an underperforming property that has enormous potential for regional economic growth.

Restoring rail connections on this prime port property adjacent to the robust west coast rail network allows seamless and clean cargo movement rather than relying on trucks for transport. It will connect Bellingham to **32,500 miles of track in 28 states and three Canadian provinces**. The addition of rail also evolves BST into an attractive alternative to the congested terminals in Vancouver, British Columbia in moving high-value cargo such as automobiles into and across the Canadian market.

Leveraging this opportunity is a generational chance to maximize years of work and investments to bring back well-paying waterfront jobs to the northern shores of Washington's Puget Sound. When Georgia Pacific closed its Bellingham operations in 2001, it left the community to grapple with contamination, economic hardship and the loss of well-paying union jobs. Not only were GP's 1,200 employees left jobless, but 150 ILWU dockworkers could no longer be employed to support the operation. Today, only 48 ILWU workers support Port operations. With this project in place, those numbers will increase significantly, bringing back hard-earned, long-awaited economic vitality, which is the core mission of the Port.

The impacts of adding rail connections to this terminal are hard to understate, as evidenced by the **4:1 benefit-cost ratio** (see *Section IV: Merit Criteria* for details). Not only are the environmental and safety benefits significant, but rail is proving to be a game-changer in the Port's ability to attract high-value economic opportunities. These opportunities directly translate into union wages and overall increased quality of life benefits.

As a prime example, automobile importers have taken keen interest in Bellingham as an alternative route to the Canadian market. But without the ability to connect directly from ship to rail, the costs don't pencil out. In this way, high-value cargo is *dependent* on this project becoming a reality; without it, the Port will remain hindered in efficiency and reliance on emissions-heavy transportation options well into the future.

Regional leaders agree that now is the time to bring back the rail connections BST has long needed. It is a straightforward answer to many of the challenges the Port has faced in its efforts to breathe life back into a property where jobs disappeared at the turn of the century.

Project Scope, Detailed Engineering and Technical Aspects

With 1,250 feet of dock space, over 85,000 square feet of covered storage and 23 acres of laydown area, the **Bellingham Shipping Terminal offers a gateway to world markets without the congestion found at larger regional ports**. The Rail Connection project completes the third

of three long-planned project components (two which were funded under a PIDP FY2020 award) to capstone the modernization of BST. It provides the entire region with the benefits that come from efficient on-dock rail service capable of transporting bulk and breakbulk cargos to and from its three berths.

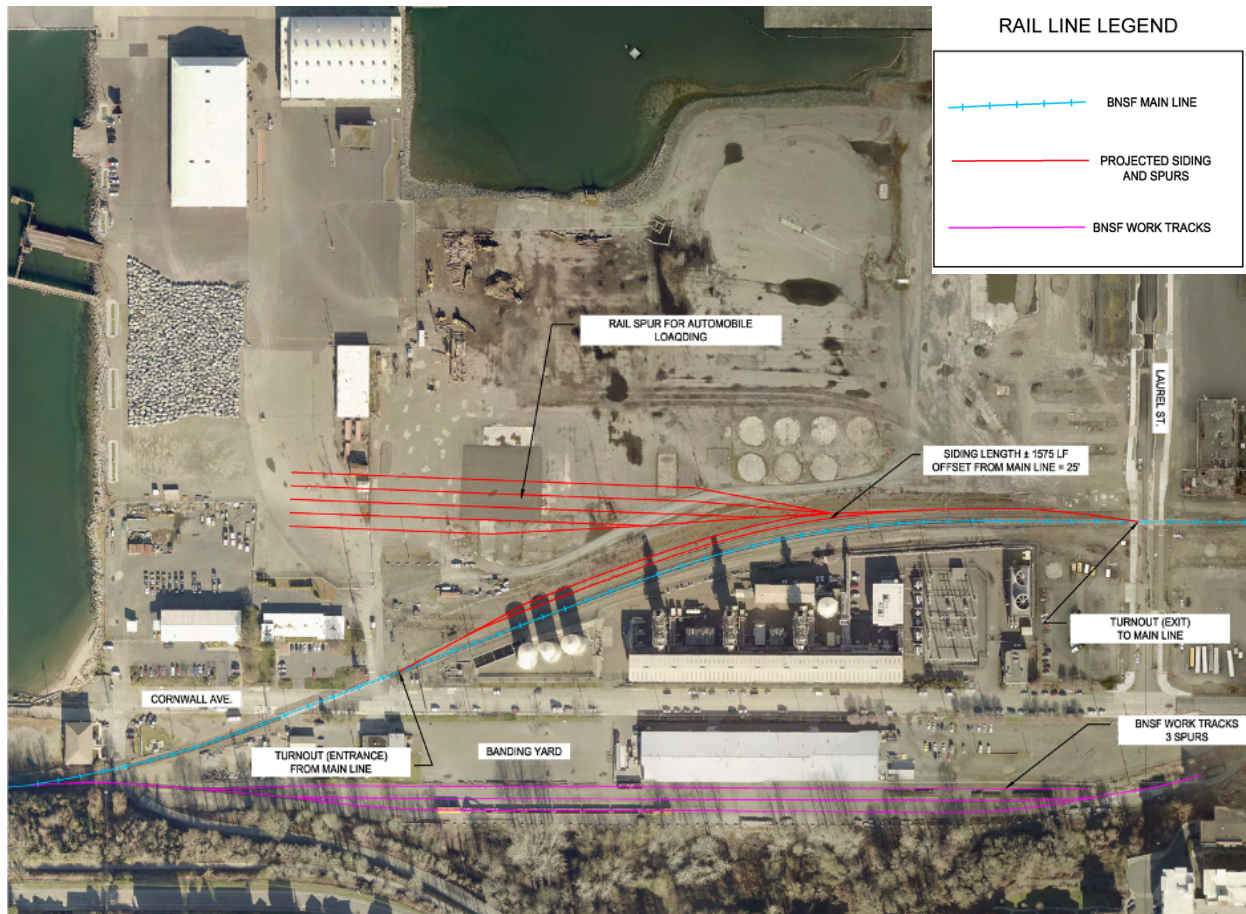


Figure 1: BST On-Dock Rail Schematic of BNSF Main Line and Working Track Configuration

The proposed rail layout is designed to hold up to 150 40-foot railcars on five tracks. The tracks will be rated as industrial track spurs off the BNSF Mainline which runs parallel to the I-5 corridor from Portland, OR to Vancouver, BC.

The project's five loading tracks total 5,995 feet in length and include a 1,575-foot siding specifically designed to support automobile imports and bulk cargo.

- Rail cars for autos vary between 87 and 89 feet with 10 autos per rail car. Each auto rail car is equivalent to 1.11 trucks (nine autos per truck), making rail a more efficient and effective way to move autos from the ship to their ultimate destination.
- Additionally, rail cars for bulk cargo vary between 57 and 71 feet with 4,700 to 6,560 cubic feet of cargo. Each bulk rail car is equivalent to 1.17 to 1.64 trucks (4,000 cubic



feet per truck), again making rail a much more efficient and effective way to move a variety of commodities to their final destinations.

Because the terminal is space-limited in the amount of cargo it can store, moving autos and bulk directly to market or an inland staging area is a top priority, thus making rail transport a strategic necessity in capitalizing on the economic potential of the property without creating undue burdens on the environment.

Current Design Status

An earlier design concept reached 30% design after the Port worked in close collaboration with BNSF to optimize the rail configuration for maximal benefit targeting containerized business. The earlier design topped out at just three tracks, but the new five-track design better matches current, expanded interest in the space and better leverages its potential. Redesign efforts are currently underway and are relatively simplistic, with ongoing consultation with BNSF the Port anticipates reaching 60% design by the end of this year and is currently at 10% in the redesign efforts. Full details about the design status are outlined in *Section VI. Project Readiness*.

The three-track layout was based on assumptions that BST would be used primarily as a containerized terminal. Current demand allows for the strategic decision to expand capacity beyond containerization, thus calling for more tracks. The updated design uses the same terminal entrance but now include a straighter (less curved) layout than the three-track design.

The five-track redesign is ready for NEPA approval. The Port anticipates that this can be accomplished through a Categorical Exclusion (CE) given the limited changes included in the redesign. Indeed, the overall track length remains unchanged; the additional tracks are shorter but laid out differently to better accommodate the types of cargo that best meet the property's full economic capacity.

The Port recognizes the Maritime Administration (MARAD) does not currently have the authority to issue CEs for rail-related projects and that an Environmental Assessment (EA) will be required. During previous discussion about the broader modernization effort, officials suggested a path forward for preparing the project for the MARAD NEPA review post-award. This review reaffirmed that an EA would apply to this project based upon Maritime Administration Order (MAO) # 600-1, issued July 23, 1985. As a result, the Port is relying on MARAD MAO as guidance and will work with either MARAD or FRA to ensure NEPA review is completed in a timely manner once funding is secured. (Refer to *Section VI. Project Readiness* for further details.)

Challenges and Solutions

The Port of Bellingham's Shipping Terminal does not currently have on-dock rail connecting from the dock to the nearby BNSF line. This infrastructure deficit requires customers to depend on truck transportation to move cargo to and from the Terminal, increasing costs, endangering air quality and eroding safety both on-terminal and beyond.

Challenge: Over-Reliance on Trucks Creates Emissions and Contributes to Traffic

The Port of Bellingham's previous customer, ABC Recycling, utilized the BST to export



between 27,500 to 32,000 MT per vessel of material arriving by truck, greatly increasing local and regional traffic and degrading area air quality. Despite its proximity to Class I mainline rail, the terminal's current infrastructure requires the use of trucks as a mode of moving freight. Though ABC will be leaving the Port by the end of this year, their operations demonstrate the current infrastructure's operational limitations.

Solution: On-Dock Rail Capitalizes on Underutilized Rail Capacity

The BST needs on-dock rail and **connection to Class I rail** to dramatically increase Bellingham's capacity to meet current and upcoming cargo demands for transporting heavy bulk and breakbulk cargo. Completing this project will reestablish a direct rail connection, provide on-dock rail at the BST and allow for the terminal to reach its full potential.

Challenge: Return on Investment is Limited by Lack of Rail

BST was dormant from 2000 until 2016 except for use as a lay-berth and Alaska mining project barge mobilization site. Over the past two decades, the Port undertook an historic effort to clean up residual contamination left over from 20th century operations and rehabilitate the terminal into a property fit for the demands of the 21st century. With the waterway cleanup and Phases I and II of the rehabilitation now complete, and with Phase III in progress and the removal of mud outcrops, reestablishing on-dock rail is the final piece in the decades-long modernization effort to return BST to full functioning and productivity. Without it, the terminal will remain limited.

Solution: On-Dock Rail Completes the Modernization and Maximizes Investments To-Date

Every investment has been made with a vision for maximal use of the property to leverage its strategic importance and bring back lost wealth. On-dock rail is the final piece, and it's critical: Rail brings significant opportunities not just economically but in terms of strategic resiliency as well, and this is reflected in its **4:1 benefit-cost ratio**.

Prior investments include \$32 million for the first phase of contamination cleanup in 2016, and an ongoing \$27.5 million project to modernize the Bellingham Shipping Terminal by increasing navigation depth, strengthening the main dock, removing historic environmental contamination, and installing a state-of-the-art stormwater management system which includes \$6.85 million (PIDP grant) for pier/deck repairs and outcropping abatement; \$1.3 million in forklifts, terminal trucks and trailers, hopper and belt conveyor, reach-stacker and front-end loader; and \$1.2 million to secure and rehab a secondhand Harbor Crane (LHM 420) from MARAD.

History and Context

The Bellingham Shipping Terminal (BST) has served the ocean shipping needs of breakbulk customers since 1920. For decades, the facility specialized in forest products including pulp, woodchips and logs, in addition to aluminum slabs and ingots. But by the late 1950s, original facilities along the Bellingham waterfront were in dire need of repair.

In the 1960s, the Port asked voters to invest in facility upgrades, and with community support, transformed the area to leverage a major era of growth. The Georgia-Pacific plant in downtown Bellingham and the Alcoa-Intalco Aluminum plant in Ferndale drove regional growth and demand for shipping, which grew from 14,000 tons of cargo traffic in 1950 to 36,000 tons by 1960. After the upgrades, Bellingham saw an astounding 506,179 tons moved in 1970. Annual



figures in excess of 600,000 tons of cargo continued into the 1980s and 1990s.

Global economic shifts during the late 1990s forever altered the shipping landscape and left Bellingham to face the reality that Alcoa-Intalco and Georgia-Pacific were no longer strong enough to drive the regional economy. GP closed its pulp mill in 2001 leaving 1,200 workers jobless and significantly reducing the ranks of longshore workers, dealing a blow to the once powerful waterfront economy.

Extensive public involvement in the early 2000s dictated that the former-GP property be rehabilitated and returned to use. Initially, the community hoped to attract private investment, but the extent of contamination worried investors, and instead, a public-sector effort to clean up the property commenced. To that end, the Port of Bellingham acquired the property in 2005 and set to work removing the burden of historic contamination from both land and water, rebuild the waterfront economy and improve public access along the waterfront. It turned out to be one of the largest cleanup projects in Washington State history.

In 2016, cleanup work culminated and limited navigation access was restored to BST. Then, the Port set to work modernizing the terminal for future-oriented opportunities. In 2020, it was awarded \$6.85 million in PIDP grant funding for pier/deck repairs and outcropping abatement to allow it to handle heavy and oversized cargoes on the berth. It then secured a mobile shore crane from West Sacramento which was delivered to the Port in 2021 and underwent rehabilitation and certification.

The FY20 PIDP award also included funds to improve the channel that serves berths number one and number two by removing the mud outcrops in front of them that currently impede efficient use. This improvement opens the door to accommodate larger ocean vessels, allowing a broader range of opportunities and commodities. By providing both updated berths for the handling of ocean vessels as well as a dedicated barge facility, BST's resiliency is dramatically enhanced.

This year, the Port will complete a dredging project to increase navigation depth to 35 feet and further improve cargo vessel access. The Port will also rebuild and strengthen the main wharf to allow heavier cargos, support the cargo crane and incorporate a state-of-the-art stormwater treatment system. It is removing overhead powerlines to improve safety and allow more efficient use of the terminal. Underground power will be extended to the wharf so cargo vessels can run on electricity instead of diesel generators.



The benefits of completing this project and reestablishing a rail connection to the BST will bring about the type of economic opportunity not seen on Bellingham's waterfront for decades. One of the largest shipping carriers in the world, MOL, has visited the Port of Bellingham on several occasions to talk about importing automobiles bound for the Canadian market. Given the Port's proximity to the Canadian border, its contrast with the congested Port of Vancouver, BC, and its easy access to BNSF and CPKC (Canadian Pacific Kansas City railroad), Bellingham stands as an ideal solution for all Canadian-bound cargo especially when coupled with its designation as a Foreign-Trade Zone (FTZ). On-dock rail would allow MOL to also do processing in Bellingham, rather than trucking the vehicles elsewhere for processing. Overall, this operation would bring significant benefits to the regional economy and restore the well-paying union jobs that vanished 20 years ago.

"We are always looking for ports with new business opportunities to load/unload cargo for our customers so that we may provide a more diverse range of ocean transportation services. The Port of Bellingham, due to its geographic uniqueness and proximity to the Canadian border, offers a number of potential opportunities, including transportation advantages from our customers' point of view."

**Yasuhiro Suzuka, President
Mitsui O.S.K. Lines, Ltd**

Statements of Authority, Partnership and Dredging

- The Port of Bellingham has the authority to plan, construct, own, operate and maintain the Rail Connection Project under Washington State RCW Chapter 53.
- This is not a joint project. However, a partnership with BNSF is well-established as it has a substantial interest in the success of this project and has contributed to its design.
- A current MARAD-grant-funded dredging effort is underway to prepare the waterway. The project under consideration for this grant – the Rail Connection project – would further maximize the return on that \$27 million investment.

Section II: Project Location



Figure 2: Port location in Northwest

Bellingham, WA is situated between two of the biggest economic powerhouses in the Pacific Northwest: Seattle, WA and Vancouver, BC. With a viable working waterfront and valuable harbor, it is a prime alternative to the congestion many importers and exporters face both to the north and south, especially as it is a designated **Foreign-Trade Zone (FTZ)** making it a strong candidate for moving Canadian-bound cargo through the U.S. market.

The Port of Bellingham is a Washington State special purpose municipal corporation serving all of Whatcom County. It is a Coastal Seaport and qualifies as a small port per the definition at 46 U.S.C. § 50302(d).

The Bellingham Shipping Terminal (BST) is located at 625 Cornwall Avenue in Bellingham in the Waterfront District. The on-dock rail will be located as part of the BST facility, adjacent to the



Figure 3: Proximity to other ports

terminal at 629 Cornwall Ave.

This project is adjacent to the Northwest Division, Bellingham subdivision, PA- J- US Can BDR branch of the BNSF main line tracks that transit from Seattle, WA to the Thornton Yard in Vancouver, BC, but the BST facility itself lacks the ability to connect to the Mainline without the five tracks slated to be built. The runaround track will be built between two crossings, MP 96.5 (DOT# 084807R) on the south and MP 96.648 (DOT#084809E) on the north.

The project site is also less than two miles west of exit 233 off Interstate 5. While the City of Bellingham's Comprehensive Plan demonstrates sufficient roadway capacity to accommodate expanded cargo on existing truck routes, this rail connection would be a far superior option. Because of its location, **BST holds a central role in Washington State disaster response plans as a major distribution site for vital and essential goods.** In the event of a catastrophic event such as a Cascadia Subduction Zone (CSZ) earthquake, an anticipated megathrust seismic event that will devastate the Pacific Northwest, the Marine Highway service will be utilized to serve as an essential lifeline for the carriage of food and fuel. BST is unhindered by obstacles such as bridges and storage tanks; thus making it more likely be one of the few remaining infrastructure assets available in the aftermath of such an event.

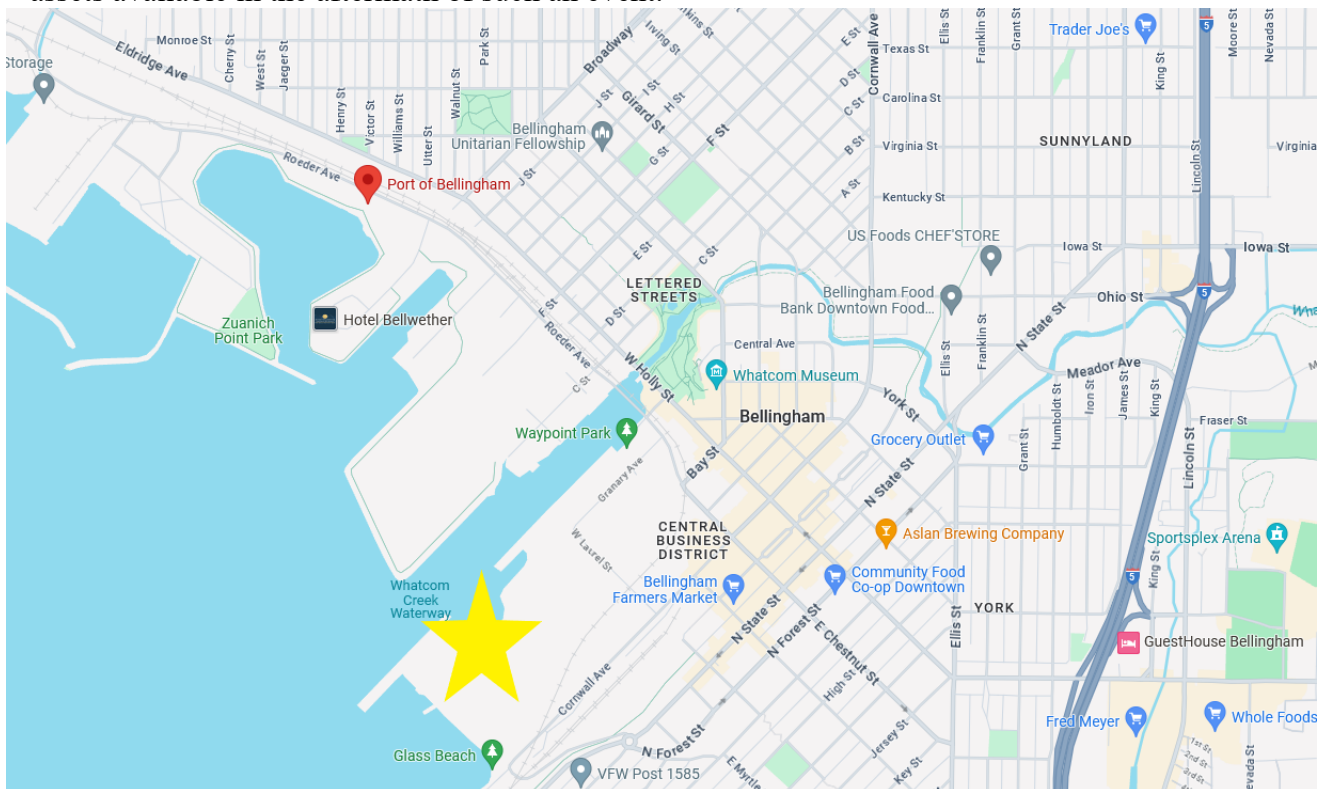


Figure 4: BST (starred) is close to Interstate 5 but immediately adjacent to BNSF rail lines.

The Port is located in a federally designated community development zone as a **Qualified Opportunity Zone** and a 2020 census-designated **Rural Area**. It sits in Census Tract 6, a recognized **Area of Persistent Poverty (APP)** and a **Historically Disadvantaged Community (HDC)**. According to DataUSA.io, Bellingham's poverty rate as of 2021 was just below 20%,



higher than the Whatcom County overall rate of 13.4% in 2021. Census.gov shows 11.7% of Bellingham's households speaking a language other than English at home, and of Whatcom County households, 12.2% speak a language other than English at home. The local area is also home to the Lummi and Nooksack tribes, and it is Port practice to consult and enter into agreement with neighboring tribes as key stakeholders.

Section III. Grant Funds, Sources and Use of Funds

The Port of Bellingham requests \$14,344,800 in Fiscal Year 2024 Port Infrastructure Development (PIDP) Program grant funding for its **Bellingham/U.S. Advantage Rail Connection project** which restores a direct rail connection to the Bellingham Shipping Terminal (BST) and adds track inside the terminal.

The budget is detailed below to show a \$13.3 million construction budget, a 30% contingency and a 20% match from Port funds to make the project a success. The basis for these cost estimates is from a Rough Order Magnitude (ROM) estimate with consultation from BNSF, additional details are included in Attachment 5: Project Cost Estimates.

Sources, Uses and Availability

The federal funds requested under this application will be used largely for project construction, costing \$13.3 million, while Port-matched funds will cover engineering design, construction management, NEPA review and permitting which are expected to cost \$4.65 million together. The Port match amounts to 20% of the total project cost, or \$3,586,200.

Level of Design

The project is currently in the redesign stage, with consultation from BNSF. The prior three-track design reached 30%, was approved by BSNF and was designed for containerized business. This redesign is the same amount of track length with recommendations from BNSF to make five shorter tracks, taking up less terminal space while more effectively supporting auto, bulk and general cargoes. As such, the Port anticipates redesign efforts will continue to move quickly and reach 60% by the end of this year. The project's current configuration is at 10% design.

Contingency Amount

The project cost estimate includes a 30% contingency equal to \$4,157,734. The contingency may be necessary should the updated five-track design trigger further federal permitting review, as well as any additional engineering and any construction cost inflation.

Cost Estimates

The Cost Estimate was prepared in December 2023, by Freeland and Associates, with the details and track approved by BNSF. The Port's engineering team updated cost estimates for inflation by one year.

Cost Share or Non-Federal Funding Match

The Port is providing a **20% match** to cover the majority of costs related to engineering design, management of construction, NEPA review and permitting. A funding commitment letter is being provided.



Cost Estimate

Task #	Component Name	Cost	PIDP Funds as % of Component Cost
1	Engineering Design, Construction Management, NEPA Review, Permitting	\$4,649,384	22.8%
2	Construction	\$13,281,616	77.2%
Total Project Cost		\$17,931,000	100%
Federal Funds Received from Previous Grant		\$0	0%
PIDP FY24 Federal Funding Request		\$14,344,800	80%
Non-Federal Match		\$3,586,200	20%
Portion of Non-Federal Funding from the Private Sector		\$0	0%
Portion of Total Project Costs Spent in a Rural Area		\$17,931,000	100%
Pending Federal Funding Request		\$14,344,800 (PIDP)	80%
Pending Federal Funding Request		\$17,931,000 (RAISE)	100%

Project Costs by 2020 Census Tract

2020 Census Tract(s)	Project Costs per Census Tract
6	\$17,931,000
	Total Project Cost: \$17,931,000

Project Costs by Urban / Rural Areas

Urban/Rural	Project Costs
Urban (2020 Census-designated urban area with a population greater than 200,000)	\$0
Rural (Located outside of a 2020 Census-designated urban area with a population greater than 200,000)	\$17,931,000
	Total Project Cost: \$17,931,000

Acknowledgements of Non-Federal Fund use and eligibility for reimbursement

The Port does not intend to incur any expenses between the time of award and the time of obligation. It acknowledges that any non-Federal funds incurred prior to obligation are not eligible to count as matching funds nor eligible to count towards meeting the level of non-Federal that is being committed in the application. Further, it recognizes that any costs that exceed the project budget will be paid by the Port on a non-reimbursable basis.

Section IV. Merit Criteria

The Rail Connection project will improve road safety, reduce road maintenance costs and reduce emissions by **eliminating the need to rely solely on truck transportation to move cargo to inland destinations**. The new tracks will enable cargo owners to move cargo efficiently at an economically favorable cost. With the tracks in place, the Port will be able to capitalize on high-value interest from potential customers, bringing significant opportunities for economic growth in our area from new union jobs to a stronger position for international competition.



Achieving Safety, Efficiency, or Reliability Improvements

Safety

Safety, efficiency and reliability are the primary drivers of this project. The project's design meets current rail safety standards to bring to life a sound and resilient dedicated rail facility. Once this project is complete, an estimated at least **80 million truck vehicle miles travelled (VMT) can be removed from highways**. This decrease in truck VMT will reduce accidents on both local roads and national highways, contributing to regionwide safety and lessening the wear and tear of our shared roadway infrastructure.

As proven at terminals around the world, rail is a safer way to move cargo than trucks. Trucks create more unpredictability on-property, creating worker safety concerns. Once they leave the terminal, trucks can be involved in traffic accidents, and due to their size and weight, passenger vehicles are at a severe disadvantage in an accident with a truck.

Safety benefits accrue as cargo shifts from truck to rail not just near the Port but well beyond its boundaries, especially up and down the Interstate 5 corridor. The State of Washington recorded 5,370 traffic-related [fatalities in the years 2013 to 2022](#), 11% (591) of which involved Large Trucks. Over the same period, Whatcom County experienced 13 traffic-related fatalities involving Large Trucks, two of which happened in the City of Bellingham. (Only one of the recent fatalities was located near the Port of Bellingham BST and it was a single car accident, reflecting the safety practices implemented to prevent as much truck-auto conflict as possible.)

By contrast to trucks, train transport is limited to specific and well-defined corridors and separated from passenger traffic in myriad ways, from controlled crossings to strict scheduling that minimizes modal conflict. As the project advances, the Port will participate in [Operation Life Saver Education](#) around the area to help the community understand rail operations and the safety precautions that must be followed to avoid tragic accidents on or near the rail line.

Staff estimates show the project removing at least 8,400 trucks from the City of Bellingham, Whatcom County and I-5 near the Port of Bellingham based on autos alone, which are only a fraction of the potential supply chain. Removing heavy cargo from local roads and highways will help achieve the Washington and California goals of Vision Zero, which align with USDOT's National Roadway Safety Strategies (NRSS) and its Safe System Approach to highways. The benefit-cost analysis estimates that over the 20-year period following project completion, at least 80 million vehicle miles will be removed from roads and highways, **saving the public \$12 million in a potentially avoidable fatalities and an estimated three severe injuries caused by vehicle accidents**.

The Port's on-terminal customer data showed tenants were only unloading one truck at a time to maintain a high degree of safety. But this comes at a steep cost in terms of efficiency, cost effectiveness and it can complicate safety and efficiency on adjacent city streets when backups happen. Although the trucks follow the local Truck Route designation, traffic in the vicinity of the terminal often slows down due to these vehicles. On-dock rail would eliminate this trade-off between safety and efficiency, improving both.

Efficiency

In addition to safety benefits, restoring rail to BST brings enormous efficiency benefits. Removing at least 30,000 trucks from the road will bring **significant fuel efficiency benefits and reductions in greenhouse gas emissions.**



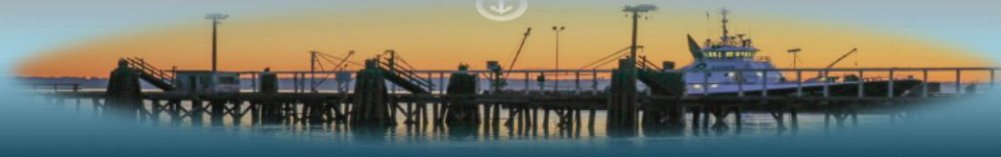
Figure 5: Waterfront infrastructure and development areas

Reliability

Every shipper seeks as much guaranteed reliability as they can get. Indeed, this is why so many prospects are independently asking the Port about its plans for restoring rail capacity. It's clear that reliability is hampered at more congested ports, particularly in Vancouver, BC, making the Port of Bellingham a more reliable alternative, *if it can offer the connectivity with rail that the more congested ports enjoy.* The lack of rail on this transformed property is a clear deficiency in its full modernization, but with rail in place, it becomes an international competitor with key advantages in terms of reliability by **connecting Bellingham to 32,500 miles of track in 28 states and three provinces.**

But rail is also more efficient than trucks in terms of traffic congestion. It's much more cost effective for shippers as well, even beyond fuel savings. And specific to this project, given its proximity to the established BNSF line, it is "commonsense efficiency" to build a connection for direct access to that vast and interconnected network, moving cargo from ship to its final destination with as little interruption as possible.

Furthermore, this project allows Bellingham to seize a wider variety of opportunities at a higher level of competition than the community would be able to access without the rail connection in place. It completes other on-terminal investments, including the 2018 investment of more than \$1.3 million in forklifts, terminal trucks and trailers, hopper and belt conveyors, a reach-stacker and a front-end loader, and the 2021 acquisition of a secondhand Harbor Crane (LHM 420) from MARAD. With these fundamental changes in operational capacity at BST, new cargo volumes are sure to increase once the rail connection is in place.



Supporting Economic Vitality at the Regional or National Level

The Port plays a significant role in the regional economy surrounding and beyond Bellingham. It is the largest property owner in Whatcom County, and through its Marine, Aviation and Real Estate divisions, it supports more than 8,780 total jobs, or **approximately 11% of local employment**. These jobs represent \$406 million in payroll and \$1.4 billion in business revenue and generate **\$38 million annually in state and local taxes**. Combined Marine Trade activity (including water-dependent land leases, marine rental revenue and BST income) accounts for approximately half of this economic impact.



Figure 6: BNSF mainline along Puget Sound in Bellingham.

The Port is a designated **Foreign-Trade Zone (FTZ)** and a strong candidate for **moving Canadian-bound cargo through the U.S. market**. This project restores rail capacity to one of only 11 deep-water ports in the state of Washington which is among the largest international gateways for marine cargo in the U.S. In 2022, Washington ports handled the import and export of 15.6 billion tons of containerized cargo and 55.5 billion tons of non-containerized cargo worth \$36.5 billion.

The ability to transport containers, heavy bulk, neo-bulk and breakbulk cargo by rail through BST will improve and generate new economic vitality for the north sound communities. Without rail, any potential tenants would move cargo by truck, greatly increasing local and regional traffic while degrading area air quality and decreasing the Port's competitiveness due to the cost of trucking versus rail options. Completing the project will facilitate a modal shift for current and future tenants and bring immediate benefits in terms of cost effectiveness and environmental sustainability.

MOL is one of the largest shipping companies in the world with over 90 PCC (Pure Car Carrier) vessels, also known as Ro-Ro vessels (roll on roll off). MOL represents Kia, Hyundai and Subaru. It has taken an interest in the Port of Bellingham due to its proximity to Canada and its contrast with the congested terminals at Vancouver, BC. MOL has visited the Port of Bellingham on several occasions and has begun to discuss Bellingham with Subaru. Given the Port's proximity to the Canadian border, its relative ease of access, and its potential for a direct connection to BNSF and CPKC (Canadian Pacific Kansas City railroad), autos shipped through MOL will have access to the entire Canadian market. This makes Bellingham **an ideal solution for all Canadian-bound cargo**.



Adding rail to BST would allow MOL to also do processing in Bellingham, outfitting discharged autos bound for the Canadian market at one of the warehouses near the proposed rail line. This operation will have significant impacts on the regional economy. The ship discharge would employ all 48 local ILWU longshore workers, each making \$50 per hour. It will also generate processing jobs that are typically handled by Teamsters, bringing on approximately 30 additional personnel to process the vehicles prior to loading them on railcars.

BNSF has voiced full support for this project. Completing it will provide opportunities for a **more sustainable cargo than the coal and petroleum cargo that currently dominates its North/South line**. Autos bound for Canada would be a visible testament to the changing tide of BNSF cargo, especially because some of the autos (Hyundai) are slated to be electric vehicles. With coal and petroleum likely to decline in the years ahead, it gives BNSF some long-term stability as well.

The Port anticipates that Hyundai will also do spot cargo from time to time. With a rail connection at BST, it could move well over 3,000 autos via rail per month, with three rail departures per week, and store an additional 3,500 autos at Port processing areas. While it isn't easy to predict total cargo discharged per vessel as these vessels also discharge autos in Southern California, Northern California, Oregon and Tacoma (WA), the volume from Vancouver, BC would be diverted to the U.S. via Bellingham, making it **economically advantageous for national competitiveness and supporting American industry**.

The union benefits of this project are high. Should MOL discharge between 1,000 and 1,500 autos per voyage, the Port would see three to four vessels per month (36 to 48 vessels per year) from auto cargo alone. The work would bring more **union workers** (longshore workers) to BST, sustaining total **annual wages between \$691,200 and \$921,600** plus reducing their long

"This project... will make the Port of Bellingham a first-class terminal and the only of its kind, this close to international ports in Canada, as well as help with the new limits in vessel traffic, made by the Panama Canal Authority due to the ongoing drought.

This would strengthen the economic outlook for the Port of Bellingham and the surrounding community, by I.L.W.U. Hall expansion that will increase the creation of good paying union jobs. [...It will] also help increase the efficiency of moving cargo in the Puget Sound."

**Kyle Maneval, President
I.L.W.U. Local #7**

commutes to ports south of town, improving their quality of life, reducing emissions and strengthening community ties. The processing facility employing the 30 Teamsters will generate locally another **\$400,000 in wages** between workers, management and support staff. And as more workers come and go from BST, businesses across the region stand to benefit from the economic activity they produce.

Because the project also connects Bellingham to cities on the East Coast, Gulf Coast and in Mexico, the Bellingham region overall would grow its capacity to compete across the U.S. and internationally, especially in terms of taking up the slack in the event of further problems in the Panama Canal. In this way, the project stands as a **strategic asset**.

Benefit-Cost Analysis

At a 3.1% discount rate for non-CO₂ costs and benefits, and 2% discount rate for CO₂ benefits, **the benefit-to-cost ratio is 4.04:1**. As shown in Figure 7, the project generates \$58.5 million in societal benefits before life-cycle costs of \$2.2 million and a



residual value of \$4.8 million, for a total benefit of \$61.2 million. Project costs are \$15.1 million when discounted at 3.1 %. The benefit-cost ratio is estimated at 4.04:1 with a net present value of \$46 million.

- Economic competitiveness accounts for 17% (when discounted) of the total societal benefit, or \$9.9 million.
- Safety benefits account for 13% (when discounted) of the total benefit, or \$7.4 million.
- Travel time savings for truckers are estimated to account for 58% of the total benefit, equal to \$33.8 million.
- State of Good Repair benefits for roads are estimated to be \$6 million (10%).
- And environmental benefits account for \$1.2 million (3%).

The NO-BUILD Scenario (Baseline) retains the current status quo of products being trucked to and from BST along the I-5 corridor through congested areas such as Vancouver, BC; Seattle, WA; and Portland, OR. Because Hyundai has shown the most interest, this BCA was developed using 20% of its projected volume to recognize the Rule of Half. The No-Build Scenario assumes autos arriving in 2025, discharged onto trucks to be driven to eastern Canada.

Long-term Outcomes	Social Benefit	Inputs	Value	Monetized	Monetized Value	Monetized Value	Monetized Value
				2022\$	Discount Rate 3.1%	Discount Rate 2%	Combined Discount Rate
Safety	Reduced fatalities and sever injuries from reduction of Highway VMT	Fatality cost savings of 0.9 fatalities + 3 severe injuries		\$ 11,885,838	\$ 7,422,612		\$ 7,422,612
Environmental Sustainability	Environmental Benefits from Reduced Emissions by modal change to rail	Emission cost savings		\$ 1,850,745	\$ 749,358	\$ 477,955	\$ 1,227,312
Quality of Life	Fuel savings due to reduced miles traveled by cargo using Rail vs. Truck	Gallons of fuel saved	0.3 million gallons of fuel saved by reducing miles traveled with modal shift to Rail		Not monetized (in Op. Cost Savings)		
Economic Competitiveness	Operational cost savings	Savings of rail transport vs. truck transport		\$ 15,929,963	\$ 9,948,136		\$ 9,948,136
	Travel Time Savings	Differential Travel time value cost between Truck and Rail		\$ 54,233,105	\$ 33,868,148		\$ 33,868,148
State of Good Repair	Reduction of maintenance on US Roads & Hwys, Consistent with State and Regional Plans	Maintenance, preservation and upgrade savings of Highways	81 million VTM reduced off the highways	\$ 9,713,392	\$ 6,065,937		\$ 6,065,937
Total Societal Benefits				\$ 93,613,044	\$ 58,054,191	\$ 477,955	\$ 58,532,146
Life-Cycle (O&M) Costs				\$ (3,446,515)	\$ (2,180,617)		\$ (2,180,617)
Residual				\$10,339,544	\$ 4,819,864		\$ 4,819,864
Total Benefits				\$ 100,506,073	\$ 60,693,438	\$ 477,955	\$ 61,171,393
Total Cost				\$ (17,232,574)	\$ (15,125,541)		\$ (15,125,541)
Net Present Value				\$83,273,499	\$ 45,567,897	\$ 477,955	\$ 46,045,852
Benefit to Cost Ratio							4.04

Figure 7: BCA results (20-year analysis post-construction)



Hyundai has said that although there are rail heads between Bellingham and the east coast, the extra cost and potential damage of trucking the cars to a railyard, where they would have to wait to be loaded on to a railcar, is likely to cost them more than loading the auto onto auto carriers at the Port of Bellingham and driving them directly to their eastern destination. Thus, the No-Build Scenario assumes that the ships will start to arrive in 2025 and discharge autos directly onto trucks until the on-dock rail is available for direct discharge, or near direct discharge, to rail in 2028. The BCA analysis is an incremental analysis estimating the benefits of the Port of Bellingham rail yard opening in 2028 compared to the No-Build or Baseline with rail available at the Port of Bellingham.

In the Build scenario, the Port anticipates that the rail service will start approximately 816 railcars in 2028 growing to 1,428 in 2031 and each year for the remainder of the analysis. Availability of empty railcars and service frequency will vary, but estimates are based on bi-weekly service. The BCA models impacts by beginning to move imported autos by rail starting in 2028 and analyzes impacts for the two decades following construction. The BCA uses only 20% of the customer's projected volume to ensure a conservative approach to the monetized results. This supply chain example is representative of a cargo type and supply chain configuration that the Port forecasts when the project is completed.

Building the project would remove over 30,000 trucks from the local roads and highway over the 20-year analysis post construction. Societal benefits will begin upon project completion in late 2027. The national and regional economic, mobility and safety benefits include:

1. **Economic Competitiveness benefits**, as measured by operating costs saved by shippers using the on-dock rail versus the current truck only route.
2. **Mobility benefits** by reducing net travel time transportation crew/operators.
3. **Safety benefits** by preventing fatalities and injuries with reduced vehicle miles traveled on the roadways.
4. **State of Good Repair** benefits from savings in road maintenance and preservation costs because of reduced vehicle miles on the roadway.
5. **Emission savings** from reduced fuel usage.

Customer Projections for Auto Ships with Vehicles destined to Eastern Canada								20% of Customers Projection		
Year	Vessels per month	auto discharge per month	# trucks at 9 vehicles per Truck/ month	# autoracks (railcars) at 10 vehicles per railcar/ month	Annual Trucks	Annual Railcars	Annual Trains	Annual Trucks	Annual Trains	Annual Trains
2025	1	850	94.4	85	1133.3	1020	10.2	227	204	2.04
2026	2	1700	188.9	170	2266.7	2040	20.4	453	408	4.08
2027	3	2550	283.3	255	3400.0	3060	30.6	680	612	6.12
2028	4	3400	377.8	340	4533.3	4080	40.8	907	816	8.16
2029	5	4250	472.2	425	5666.7	5100	51.0	1133	1020	10.2
2030	6	5100	566.7	510	6800.0	6120	61.2	1360	1224	12.24
2031	7	5950	661.1	595	7933.3	7140	71.4	1587	1428	14.28
2032-2047	7	5950	661.1	595	7933	7140	71.4	1587	1428	14.28

Figure 8: The BCA model uses 20% of the Customer's estimated volumes, using rail as soon as the rail connection is available in 2028. The volume ramps up until holding flat from 2032 to the end of the 20-year analysis period in 2047.



This BCA also recognizes life-cycle costs of the project as well as the useful life of the assets of the transportation capital improvements remaining at the end of the 20-year analysis.

Full details on the BCA modeling, each of the project's five major benefits (Operating Cost Savings, Travel Time Saved by the Mode Operator, Road Maintenance and Preservation Savings, Prevention of Fatalities and Injuries, and Emission Savings) and more are provided in the complete BCA Spreadsheet and Narrative.

Leveraging Federal Funding to Attract Non-Federal Sources of Infrastructure Investment

The investments made to-date can be multiplied by restoring BST's rail connection. Past investments include:

- \$32 million for the first phase of contamination cleanup in 2016.
- An ongoing \$27.5 million project to modernize the Bellingham Shipping Terminal by increasing navigation depth, strengthening the main dock, removing historic environmental contamination, and installing a state-of-the-art stormwater management system, which includes \$6.85 million in PIDP funding specifically for pier/dock repairs and outcropping abatement.
- \$1.3 million in forklifts, terminal trucks and trailers, hopper and belt conveyors, a reach-stacker and a front-end loader.
- \$1.2 million to acquire and repair of a secondhand Harbor Crane (LHM 420) from MARAD.

The addition of on-dock rail through this project would **maximize the return on investment for each of the previous investments**, ultimately completing the modernized vision for BST.

Port Resiliency

Disaster Recovery

According to the 2019 Regional Resiliency Assessment Program (RRAP) conducted by the Department of Homeland Security, the Port of Bellingham is positioned to play a vital role in the event of a Cascadia Subduction Zone (CSZ) earthquake. Most major bridges leading to Bellingham will be compromised if not collapsed, making maritime transportation a primary access for early emergency response.

The Port is one of six ports in the **Puget Sound Maritime Disaster Resilience Team** collaborating under a Regional Catastrophic Preparedness Grant (RCPG) project. Although rail, too, is likely to be compromised in an event as destructive as a CSZ Earthquake, it would be prioritized for repair ahead of most roadways due to its inherent capacity to move equipment and supplies efficiently. Being able to move cargo quickly from ship or barge directly to rail at BST, as this project would allow, furthers the Port's role in the face of disaster.

Climate Change

The project will address climate change by reducing emissions of the transportation industry through its design and implementation. According to the Association of American Railroads, moving freight by rail is three to four times more fuel efficient than moving freight on the highway. Without this project in place, truck transport is the sole option for moving goods inland from port, guaranteeing impacts to climate as BST returns to its operational prowess. If an ounce



of prevention is worth a pound of cure, building the rail capacity now – just as the port is in talks with several high-value, long-term potential tenants – is the ideal “preventive measure.”

Building a rail facility will reduce transportation-related air pollution and greenhouse gas emissions in and around the community as a whole and especially in the adjacent to the Port, which is a recognized **Area of Persistent Poverty (APP) and a Historically Disadvantaged Community (HDC)**. Reducing greenhouse gas emissions produced by both long- and short-distance (on terminal) trucks is important in reducing the harmful effects of air pollution, such as childhood asthma, especially among the Port’s immediate neighbors as the Waterfront District matures into the mixed-use area it is slated to be.

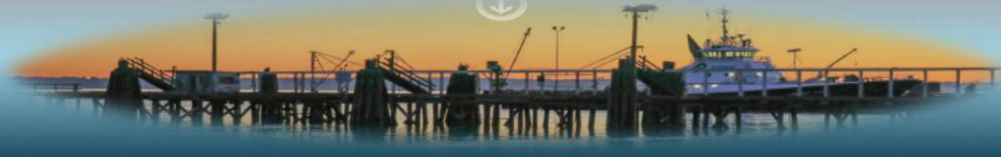
Last year (2023), the Port adopted its Comprehensive [Climate Action Strategy](#) which sets benchmarks that meet or exceed the goals set by all jurisdictions in which the port sits (state, county, city). Without the rail connection in place, the community will sacrifice economic opportunity to reach the benchmarks and face growing income disparities which have ultimately been shown to undermine climate strategies over the long-term.

The project also aligns with the State of Washington’s Transportation Carbon Reduction Strategy (TCRS) and the Whatcom County Climate Action Plan that recognizes that the County exists on the ancestral homelands and waterways of the Lummi and Nooksack, who have lived on, cared for and protected these lands since time immemorial. The County recognizes that the historical and present-day rights and livelihoods of Native peoples are particularly relevant to climate action, as rising temperatures and other effects of a changing climate disproportionately threaten the well-being and prosperity of Native peoples. The County Plan acknowledges that reducing GHG emissions and increasing climate resiliency are two of the three steps required to meet their Climate Action Goals. Because transportation was the third-largest source of GHG emissions in Whatcom County (as of 2017), with on-road vehicles contributing a whopping 81.8% of those emissions of CO₂, moving cargo to the lower-carbon transportation option of rail makes progress toward these carbon reduction goals.

A side benefit to reducing truck traffic in and out of BST by moving cargo directly to rail is that, as more people visit the Waterfront District to work, play or live, they are likely to feel safer moving on foot or by bicycle, opening up **more opportunities for carbon-free movement throughout the waterfront corridor and connecting to downtown.**

The Port is now receiving 100% renewable energy for its Bellingham operations as part of Puget Sound Energy’s (PSE) Green Direct program. This transition is anticipated to reduce greenhouse gas emissions by approximately 86% annually. Slight electricity cost savings are anticipated for the Port due to its 18-year commitment to Green Direct.

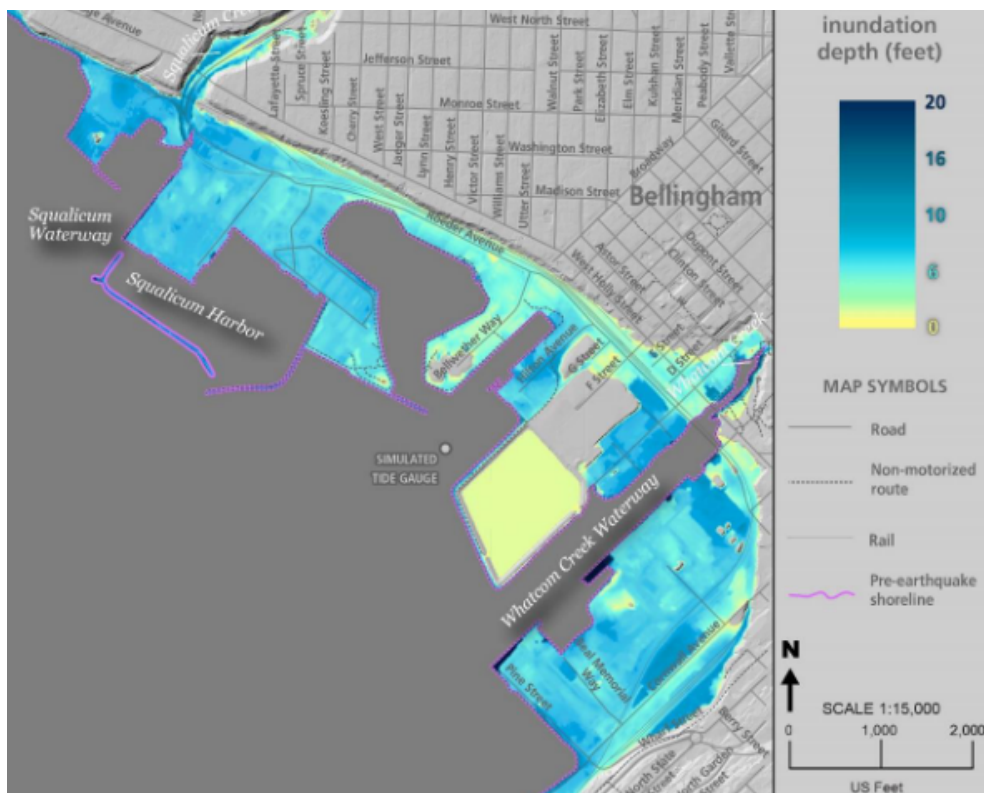
In addition, the Port plans to use **lower carbon pavement and construction materials** in building the project. Beyond this project, the port is retrofitting cargo handling equipment at BST with electric engines, thereby reducing fossil fuels used by heavy equipment used for cargo handling.



Sea Level, Flooding and Tsunami Mitigation

Sea level rise was factored into nearly all BST modernization efforts to-date. Based on estimates compiled by the University of Washington Climate Impact Group early in the redevelopment phases, the improvements have all incorporated an assumption of 1.3 feet in sea level rise by 2050. The rail connections built in this project will benefit from this earlier work and allow the terminal to remain operational for the foreseeable future.

In consideration of more intensive rain events as the climate warms, stormwater systems have been analyzed and found capable of handling future flooding events. Currently all stormwater in the cargo support area that will house the rail lines is managed by the Port's ecology permit and drains to a catch basin called the ASB where it evaporates and leaves sediment. Because this system has adequate capacity, no stormwater improvements are included in this project.



In 2021, the Port adopted its *Tsunami Maritime Response and Mitigation Strategy*, marking the first time a Washington State port developed such a plan. The Washington State Emergency Management Division co-created it alongside the port, and it paves the way to more resilience in and preparedness for these significant events. From establishing evacuation routes and signage, to inventorying likely points of danger and/or damage, the strategy provides both guidance on how to prepare and practice ahead of such an event. It also covers how to recover afterward and includes a decision matrix

Figure 9: Potential tsunami impacts from Cascadia Subduction Zone event

for actions to alleviate the pressure of crisis-time decision making. Although the strategy doesn't speak specifically to rail considerations, given the importance of evacuating workers, residents and visitors from the waterfront area, it is imperative to keep trucks from clogging roadways that may become congested with passenger vehicles. (Read the full strategy [here](#).)

National Security Asset

In terms of national security, Bellingham's capacity to handle a broad array of cargo makes it a top priority for the region's resiliency. Many ports have shifted to containerization, which does not help with U.S. resiliency and security as much as deep water ports that support general cargo, breakbulk and project cargo. In fact, such capacity is needed. The Rail Connection project makes



even more sense when considered in this light.

Section V. Selection Considerations

Climate Change and Sustainability

Removing at least 30,000 trucks from the road will bring significant reductions in greenhouse gas emissions. When it comes to efficiency, rail cars outperform individual trucks on just about every metric. According to the Intergovernmental Panel on Climate Change's 2014 Assessment Report Chapter 8, CO₂ emissions from rail are approximately 34% that of those for large Heavy-Duty Vehicles (HDVs, e.g., semi-trucks) for the same weight of freight and distance traveled.

A train can carry the cargo equivalent to 58 large semi-trucks:

- Rail cars for autos vary between 87 and 89 feet with 10 autos per rail car. Each auto rail car is equivalent to 1.11 trucks (nine autos per truck), making rail a more efficient and effective way to move autos from the ship to their ultimate destination.
- And rail cars for bulk cargo vary between 57 and 71 feet with 4,700 to 6,560 cubic feet of cargo. Each bulk rail car is equivalent to 1.17 to 1.64 trucks (4,000 cubic feet per truck), again making rail a much more efficient and effective way to move a variety of commodities to their final destinations.

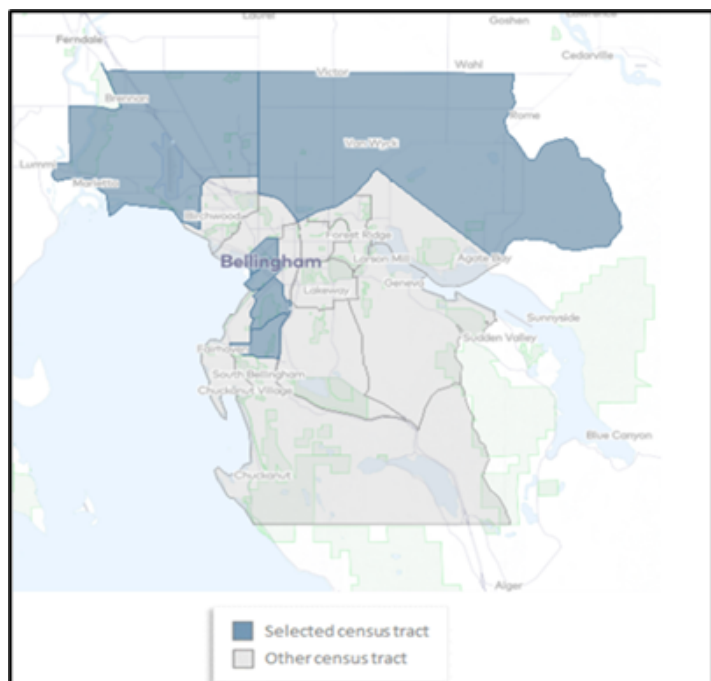
This project aligns with the State of Washington's Transportation Carbon Reduction Strategy (TCRS) which describes the policies and strategies being implemented across the state to reduce transportation greenhouse gas (GHG) emissions. It also fulfills the vision of the U.S. National Blueprint for Transportation Decarbonization by prioritizing shipping with rail. The Port is also a new participant in **Green Marine**, the leading voluntary environmental certification program for North America's maritime industry. To achieve Green Marine certification, the Port will assess its environmental performance through indicators that address such issues as greenhouse gases, underwater noise, spill prevention, community impacts, community relations, waste management and environmental leadership. Building rail to serve BST is essential to sustaining certification.

Equity and Justice⁴⁰

This project proactively addresses equity by reducing truck traffic through heavily populated and disadvantaged residential neighborhoods near industrial areas such as Bakerview Estates in Bellingham. This will improve the air quality and reduce congestion. Less truck traffic will make the streets safer for pedestrians and cyclists, encouraging more active transportation options, especially for those who are unable to afford a car. Improving air quality and reducing vehicle congestion will improve the public health of the residents near and surrounding the terminal.



The map in Figure 10 shows that **six out of 17 census tracts in the Bellingham area are**



considered populations at risk when compared to the community and U.S. averages. The tracts indicated in Blue, represent areas where 27% of the families are in poverty, 66% live in rentals compared to a U.S. average of 36%, and 15% of the residents do not have access to a car, which is 55% higher than the U.S. average. Within Tract 6, Poverty is 36% (116% above the U.S. average), Rentals represent 95% which is over 90% above the U.S. average, and 34% do not have access to a car (119% above the U.S. average).

The project will create opportunities for the underserved residents in surrounding tracts to participate in the increased economic activity that will be generated as new leases are signed at BST. The Port is working with local Economic Development Agencies to utilize Minority Business Enterprises, Minority Owned Businesses, Women Owned Businesses, and Veteran Owned Businesses to implement and operate this project.

Figure 10: Census tracts near and surrounding the project

Minority participation goals will be included in the bid documents and track underserved participation in the implementation and operations of the project. The Port has an Equity in Vendor procurement strategy that assures:

- Equitable procurement and purchasing guidelines
- Port is OMWB compliant in the process (Office of Minority and Woman Owned Business)
- Port is Washington State DOT approved Title VI Plan

Workforce Development, Job Quality and Wealth Creation

The long-term story of the Bellingham waterfront is one of prosperity turned to dust when the major economic players in the region went away. Every effort has been made in the decades since to restore economic activity at the Port and along the Bay. On-dock rail is the final missing piece to make it all a reality.

Should rail be built, MOL is likely to sign a long-term lease, and if it discharged between 1,000 and 1,500 autos per voyage, the Port would see three to four vessels per month (36 to 48 vessels per year) from auto cargo alone. The work would bring more union workers (longshore workers) to BST, sustaining annual wages between \$691,200-\$921,600 and reducing their need to rely on long commutes to ports both north and south of town, improving their quality of life, reducing emissions and strengthening community ties. The processing facility employing the 30 Teamsters would generate locally another \$400,000 in wages between workers, management and



support staff. And as more workers come and go from BST, businesses all across the region stand to benefit from the economic activity they produce.

Section VI. Project Readiness

The Rail Connection project demonstrates readiness in terms of technical capacity and a proven track record delivering grant-funded projects as well as community support and expectations for the way the Port will function to drive the waterfront economy. Details about schedule considerations, budget and risk mitigation are also covered below.

Technical Capacity

The Port has demonstrated capacity to deliver major modernization projects again and again in the past two decades as it has brought BST back to life after losing its longtime economic driver – Georgia Pacific. From what turned out to be one of the largest cleanup projects in Washington State history to the current MARAD-funded dredging effort, adding the final touches with on-dock rail is certainly within the competency threshold that the Port is known to deliver.

The Port is no stranger to administering and implementing federal grants, as well as reaching critical milestones for fund obligation and project delivery. It has delivered results on **more than \$78 million in grant money over the past 15 years**. The Port’s internal team of expert engineering and environmental staff collaborates with external consulting engineers in preparing project components from bid through construction completion. The Port’s engineering and accounting staff has years of experience implementing Federal and State Grants and delivering projects of similar size, scope and complexity. Their extensive experience makes them fluent and capable when it comes to federal contract and procurement requirements, including Buy America, Americans with Disabilities Act, Davis Bacon Act and so forth.

Schedule

The schedule below shows permitting and review culminating at the end of 2025. The Port anticipates reaching 60% design by the end of this year and is currently at 10% design. Construction would begin during spring 2026 and continue through 2027. By early 2028, the project would be in use and contracts closed out. This schedule assumes an Environmental Assessment (EA) and provides for 18 months to complete that process. The Port is confident it can complete the required environmental reviews and meet the administrative requirements for obligation by June 30, 2027, and completion of obligation by September 30, 2027. Any unexpected delays will not put the funds at risk of expiring before they are obligated.



	2023				2024				2025				2026				2027				2028			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
BST Rail Connection Project																								
Property Acquisition																								
Preliminary Engineering 30%,60%																								
Award Announcement																								
Permitting																								
Federal & State Agency Review																								
Obligation																								
Final Engineering																								
Construction																								
Contract Close-Out																								

Figure 11: Project schedule

As this project is part of the overall Whatcom Waterfront Sub-Area Plan (see <https://cob.org/wp-content/uploads/waterfront-final-subarea-plan.pdf> for details), it is in all parties' best interests to minimize delay as much as possible to fully leverage the overwhelming benefits of the project. The Port's strong working relationship with BNSF and other critical partners – including our local union representation – enables timely communication and the ability to move swiftly should unexpected issues arise.

How and When Budget was Compiled

The cost estimate was prepared in December 2023, by Freeland and Associates, with the updated five-track design approved by BNSF. Port staff updated the prior ROM for inflation by one year.

Public Involvement

The Whatcom Waterfront District Sub-Area Plan, which includes the BST facility, has undergone multiple public review and comment periods over the last 15 years. The Port and City of Bellingham launched a public planning process to develop the Sub-Area Plan shortly after acquiring the GP property. To ensure this plan was consistent with the community vision, the Port and City appointed the Waterfront Advisory Group (WAG) to integrate recommendations of the WFG into plans, projects, and regulations. From 2005 to 2010, this citizen-led task force held regular public meetings to gather public input and ensure public awareness and participation in waterfront planning.

During these convenings, the community evaluated various design alternatives that illustrated how infrastructure, development, public parks and trails, and new habitat might take shape on the waterfront. The WFG held 41 public meetings, 26 guest forums and other special events focusing on the waterfront's future, ultimately publishing the [Waterfront Vision and Framework Plan](#) which calls for the redevelopment of the city center waterfront into "a mixed-use neighborhood that combines commercial, institutional, industrial, retail and residential uses, and that over time will provide many new job opportunities and a substantial amount of urban housing."



The 2018 amendment to the Waterfront District Sub-Area Plan was prepared after additional public meetings and input opportunities, additional SEPA analysis, and included additional public input during the Planning Commission and City Council review process.

Risk Mitigation

The Port has considered the project's risk and worked to avoid any significant issues that could prevent a timely delivery. A full risk mitigation matrix is included below.

Potential Risk Area	Risk Type	Current Status/ Proposed Mitigation	Risk Level
Technical Feasibility	Feasibility	Preliminary design developed to 10% conceptual layout. The Port's consulting engineers have spent a great deal of time working with BNSF and assorted customers looking at alternative rail layouts, considering aspects including cost-effective alternatives, life-cycle costs, asset management, and length of asset life.	Low
Design Standards Conformance	Feasibility	Design developed to meet current marine terminal and railroad standards and to address climate change predictions.	Low
Partner Approvals	Schedule	Design developed with significant input from unions that will provide skilled labor once the project is complete, potential customers and BNSF.	Low
Local Jurisdiction Approvals	Schedule	The Port engages in robust collaboration and cooperation with local jurisdictions who are fully informed of the project's goals and status. Per state policy, no additional SEPA reviews are required.	Low
Environmental Approvals	Cost, schedule	The Port anticipates completing an Environmental Assessment. The Port understands that upon award it will work with the assigned federal agency to complete a NEPA analysis and has adequately accounted for this in the project schedule.	Low
Public and Stakeholder Support	Cost, schedule	Extensive public involvement efforts have already occurred as part of the Port's planning and budgeting processes and will continue through project delivery.	Low
ROW	Cost, schedule	No Right of Way acquisition is necessary.	Low
Construction	Cost, schedule	Currently ready to enter final design. To mitigate potential cost risks, conservative prices and quantities have been used in the project budget. A 30% contingency has been included in the total project cost estimate.	Low
Grant	Compliance	Grant Management will be administered by the Port of	Low



Management		Bellingham's experienced staff. The Port staff is proficient in administering federal and state grants from multiple agencies and will be able to apply these same skills and experience to this grant.	
Domestic Preference	Compliance	The Port has discussed the procurement of materials and manufactured products for the project with vendors and other Pacific Northwest ports and is confident that all needed components can be procured domestically in compliance with the Build America Buy America Act (BABAA).	Low

Figure 12: Risk matrix

Environmental Risk

The project is currently in the redesign state, with consultation from BNSF. The prior approved three-track full design from BSNF was designed for containerized business. Given strategic interest from auto, bulk and general cargo customers, and the strategic value of expanding beyond containerization, the five-track redesign was born. It contains the same amount of track length and takes up less terminal space. The cost estimate was prepared in December 2023, by Freeland and Associates, with the details and track approved by BNSF. Port staff updated the ROM for inflation by one year.

Based upon the Port's evaluation of the Maritime Administration Manual of Orders MAO-600-1, the Port anticipates an Environmental Review will be required. The Port is relying on guidance from MARAD and will work with either MARAD or FRA to ensure NEPA review is completed in a timely manner when funding is secured. Accordingly, 18 months is built into the schedule to complete this process.

The Port already has state and local approvals, as well as an Army Corp of Engineering NWP #3 maintenance permit for BST. It recognizes that additional permitting will be required for this project. The Waterfront District Sub-Area Plan FEIS published in 2010, updated in the 2012 Amendment and amended again in 2018, with approval in February 2019. Once funds are awarded, the Port will complete all necessary activities to obtain obligation promptly.

National Historic Preservation Act (NHPA) Status

The project and adjacent areas have no NHPA Section 106 considerations.

Reviews, Approvals and Permits by Other Agencies

The Port has not moved forward with permitting this project at this time as it is still in discussions with BNSF on the configuration of the project. The goal of these discussions is to ensure that the connection to the mainline is designed and built to meet BNSF and industry standards, thus ensuring that the rail traffic moving on the adjacent I-5 corridor mainline is not unduly disrupted by this additional connection.

Environmental Studies or Other Documents

- New Whatcom Redevelopment Project DEIS, dated January 2008

- New Whatcom Redevelopment Project Supplemental DEIS, dated August 2008
- New Whatcom Redevelopment Project Addendum to DEIS, dated February 2010
- The Waterfront District Redevelopment Project (formerly known as New Whatcom) Final EIS, dated July 2010
- The Waterfront District Redevelopment Project 2012 EIS Addendum, December 2012
- Waterfront District Sub-Area Plan 2013
- Waterfront District Sub-Area Plan FEIS Addendum 2018, dated February 2019
- City of Bellingham 2016 Comprehensive Plan
- Port of Bellingham Comprehensive Scheme of Harbor Improvements

Section VII. Statutory Determinations

Project Determination	Narrative Reference or Response
1. The project improves the safety, efficiency, or reliability of the movement of goods through a port or intermodal connection to the port.	Adding on-dock rail to this strategically-located terminal increases safety for workers both on and off the port as well as for community members using local and regional roadways. It improves overall efficiency by replacing trucks with trains which have more capacity, use less fuel and do not add to roadway congestion or wear and tear. Reliability also benefits by offering an alternative to congested terminals in Canada.
2. The project is cost effective.	With a 4:1 benefit-cost ratio, this project maximizes cost effectiveness.
3. The eligible applicant has the authority to carry out the project.	The Port of Bellingham has the authority to plan, construct, own, operate and maintain the Rail Connect Project under Washington State RCW Chapter 53.
4. The eligible applicant has sufficient funding available to meet matching requirements.	A 20% match has been provided and is available to move forward. A financial commitment letter is being provided.
5. The project will be completed without unreasonable delay.	Although delays are not anticipated, should more intensive environmental review be necessary, the schedule shows ample time (18 months) to complete those analysis to meet all funding obligations on time or ahead of schedule.
6. The project cannot be easily and efficiently completed without Federal funding or financial assistance available to the project sponsor.	While rail would remain critical to leveraging the full capacity of BST, the Port would need to delay implementation until funds could be identified, unless it has federal funding to close the gap sooner.