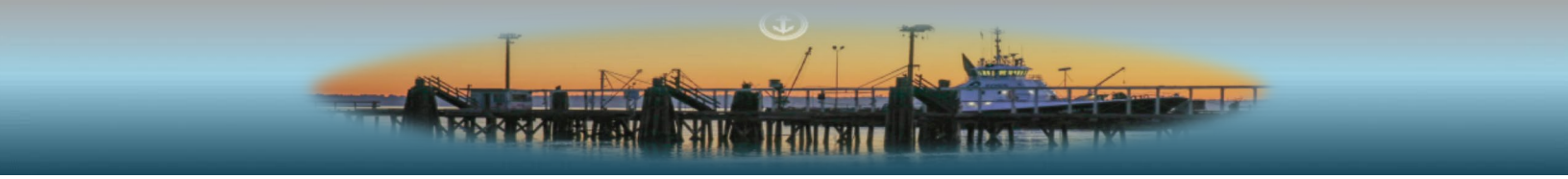
PORT OF BELLINGHAM
Washington State

RAISE Program
FY 24 Grant Application

I. Project Description

Restoring Resiliency
Bellingham Shipping Terminal
Rail Connection Project

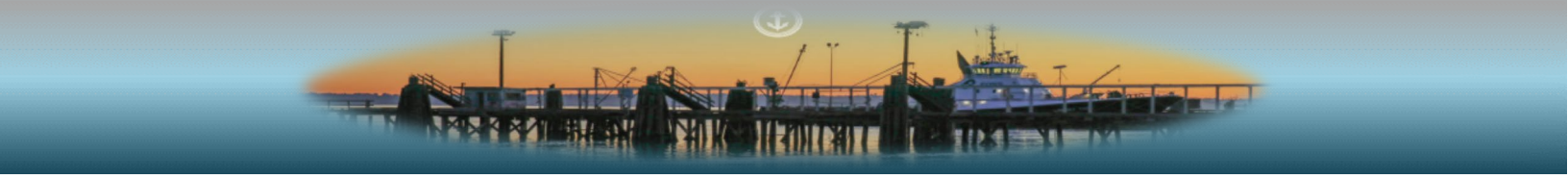
UEI: NRYGMRVUBJA6
February 2024



Project Website https://www.portofbellingham.com/980/Grants

Contact information:

Matthew Cress
Business Development Director
Port of Bellingham
Cell 510-219-0404
mcress@portofbellingham.com



I. Project Description

Introduction to Project

The Port of Bellingham is requesting $17,931,000 (Seventeen Million Nine Hundred Thirty-One Thousand Dollars) in RAISE FY24 grant funding to restore a rail connection to the Bellingham Shipping Terminal (BST) with additional track inside the terminal. We have named our project the RAIL CONNECTION – PORT OF BELLINGHAM WA.

The Port of Bellingham (POB) is strategically located in the North Puget Sound 20 miles south of the US Canadian border between the Ports of Seattle WA and the Port of Vancouver BC.

There is port congestion in the Puget Sound and the surrounding region. The Port of Bellingham will be able to support future growth in both the US and Canadian markets by increasing its throughput of cargo via rail connection to the existing rail line running along our property, this requires a rail spur to be added and rail lines inside our terminal.

The US is in a position to lead the efforts in carbon reduction for the 2030 and 2050 goals. The Port of Bellingham will be able to reduce trucks on the road in both the US and Canada via the BNSF corridor here connecting Bellingham to Canada and the rest of the United States.

History of Bellingham Shipping Terminal

The Port of Bellingham (POB) acquired Bellingham Shipping Terminal (BST) from GP back in 2005.

Unfortunately, this has left the POB responsible for cleaning up a legacy of pollution in both the ground and waterways in this area. The POB has spent $41 million on cleanup efforts via our own funds and grants with Ecology. More recently we have been able to focus on re-activating our shipping terminal.

Starting in 2024, the POB has begun an aggressive plan at the cost of $27 million to dredge the waterway to 35 ft in Phase 1 and make improvements at BST which will enable deep drafted vessels to call BST and do heavy lift cargo. This is made possible by motivated Port Commissioners and Grants from MARAD for dredging and the heavy lift area. Phase 2 will deepen the BST channel depth to 40ft and complete the final waterway cleanup.

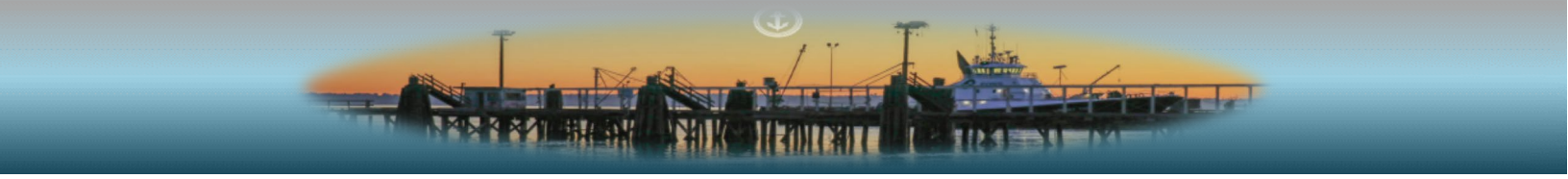
A. Transportation Challenges

The demand for the Rail Connection exists as part of the larger BST rehabilitation. The Port has had multiple inquiries from potential customers wanting to move rail related cargo through the Terminal; however, the lack of a rail connection and track on terminal has precluded the ability to use the BST to its full potential.

Challenge 1:The terminal itself is limited to 13 acres of storage which limits the amount of cargo that can be imported or exported at a time, which also limits ship calls and jobs that can be generated by this property.

Challenge 2:

Lack of rail on or near dock at the BST. We are continuously getting inquiries for potential cargo moves as the industry see that we are moving forward with our terminal modernization activities and will be bringing additional berthing capacity on line in the near future. Unfortunately, based



upon the rural nature of our location, these customers will need to transport their cargo in land to its final destination. With rail being a less expensive mode of transportation, the customers are looking for a Port that can provide both vessel capacity as well as rail capacity. We are not positioned at this point to meet that need.

Challenge 3:

Meeting the Demand for Rail served Terminals. Water issues at the Panama Canal have started to have vessels divert around the southern tip of Latin America to reach gulf and east coast ports or put cargo on rail across Latin America for re-loading to vessels for final delivery. Taking the cargo off ship and land bridging the cargo around the Panama Canal creates additional carbon emissions. Project addresses these challenges by removing these limitations.

B. The Rail Connection Project addresses these Challenges by Removing this Limitations.

The re-establishment on-dock rail currently referred to as the "Rail Connection" project will return BST into a fully functioning multimodal terminal with lifting capacity from the newly acquired crane. Completion of this Project allow for efficient loading and unloading of railcars on the terminal reducing costs and emission in the transportation of rail capable goods. The benefits of this Project combined with warehousing capacity adjacent to the pier will enhance the terminal efficiencies.

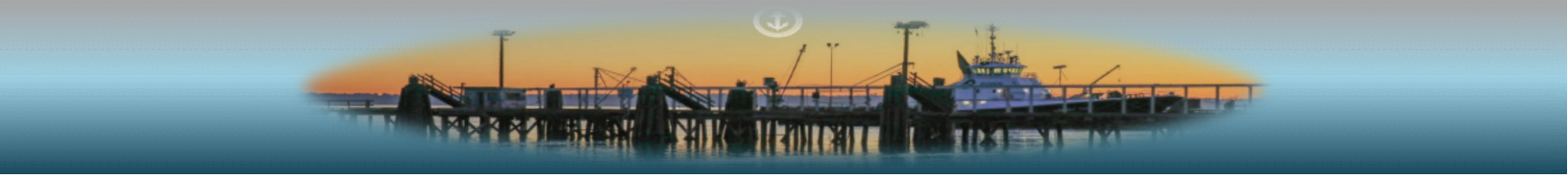
We see the shipper challenges that they are experiencing with the all water service through the Panama Canal as an opportunity for our terminal. But to meet their supply chain needs, we need to reestablish rail to the Terminal. The POB value proposition is to provide relief for congestion at already busy ports and to be an alternative short sea trade route between Asia and the US/Canada. BNSF serves BST and connects to other rail providers throughout the US Gulf and East Coast.

Based on studies and discussions with existing clients and potential clients the terminals throughput can be increased significantly at least doubled and, in some cases, more depending on the cargo type if a working rail connection was to be re-established. The expected rail service would be bi-weekly for BNSF rail pickups.

The POB has been visited by the Director of MARAD for the Pacific Northwest & Alaska and the Federal Maritime Commission. Both parties see Bellingham as the next priority for the region, too many ports have shifted to containerization and this does not help with US resiliency and security, deep water ports that support general cargo, breakbulk and project cargo are vital, and capacity is needed.

This Project via RAISE FY24 grant vastly increases the number of jobs available locally for work in the port, union job expansion, training and resilience of the region in general.

Rail connection paves the way to reduce thousands of heavy trucks over time, making the roadways safer and less congested, reducing emissions, improving state of good repair for the local and regional networks, facilitates international commerce and utilizes a safe and effective means of transportation with non-hazardous cargo moving though our port.



Additional vessel calls will support a working waterfront of high skilled jobs that support cargo vessels such as pilots, tugboat crews, barge fuel crews, service companies, technicians, and engineering firms.

These increased vessel calls also generate revenue and development through crew changes and vessel husbandry which increases hotel occupancy, and foot traffic through our airport managed by the POB -Bellingham International Airport.

Planning for 2024 and beyond there are many other possible options for the port to expand its offering that will directly benefit from a rail connection. The Port of Vancouver BC is at capacity, the ports are gentrifying, and available dock space is at an all-time low. Creating and inland depot free trade zone south of the Canadian Border with a rail connection at BST will also let the POB market itself to industry stakeholders and provide an inland depot to push more cargo into the Canadian market but through US ports. This will also allow the POB to participate in the on-shore wind farm business in Canada. This operation would bring additional vessels and commodities across our terminal and make out offering much more substantial logistically. In 2028-2029 Washington Offshore wind projects will begin and we are already speaking to those parties to discharge cargo at Bellingham, if our terminal is full, we cannot begin to support future Washington Blue Wind initiatives.

The Port of Bellingham is considered rural and an area of persistent poverty. The local ILWU dockworkers union with increased cargo throughput could potentially double its membership. These workers would not have to travel outside of Bellingham many hours to and from Seattle/Tacoma to seek dock work, they would spend less time traveling, more time with their families and reducing emissions and road traffic from commuting.

Interest Expressed in reconnection of the Rail Service

Hyundai Canada is interested in importing autos into the Port of Bellingham for the Canadian market. Starting in 2025 all these vehicles will be electric. Hyundai estimates our capacity is 2500 autos. They would then need to truck these autos to the border which is approx. 25 min from our BST terminal. That is 300 truckloads of autos per month conservatively or 3,600 trucks per year. It may ultimately be cost prohibitive for the client at some point and time, making POB uncompetitive with other ports in the region. This is not unideal for the environment, the I-5, local and border traffic. It makes the roads less safe for all parties. With on-dock rail we could process 3 or more vessels per month which is approximately 6,000+ autos per month and directly take off the road 6,000+ trucks per year (9 autos per truck) (import volumes will vary).

Hyundai proposes to call at the POB in the near future and has visited multiple times in person. These vessels will import Canadian autos through a US port, 1800-2500 units. BST will be at full capacity with just one vessel discharging cargo. This is greater than the number of initial projected units of 850 that was initially planned by their executives, we believe it is due to winter storms that have shut down other ports. It is unclear if it is indicative of a permanent volume change or temporary increase to get product to market Q1 2024. This increase in units per vessel actually reduces the number ship calls significantly. Without a rail connection we cannot get the imports off our terminal fast enough and economically so it directly affects the number of jobs created.

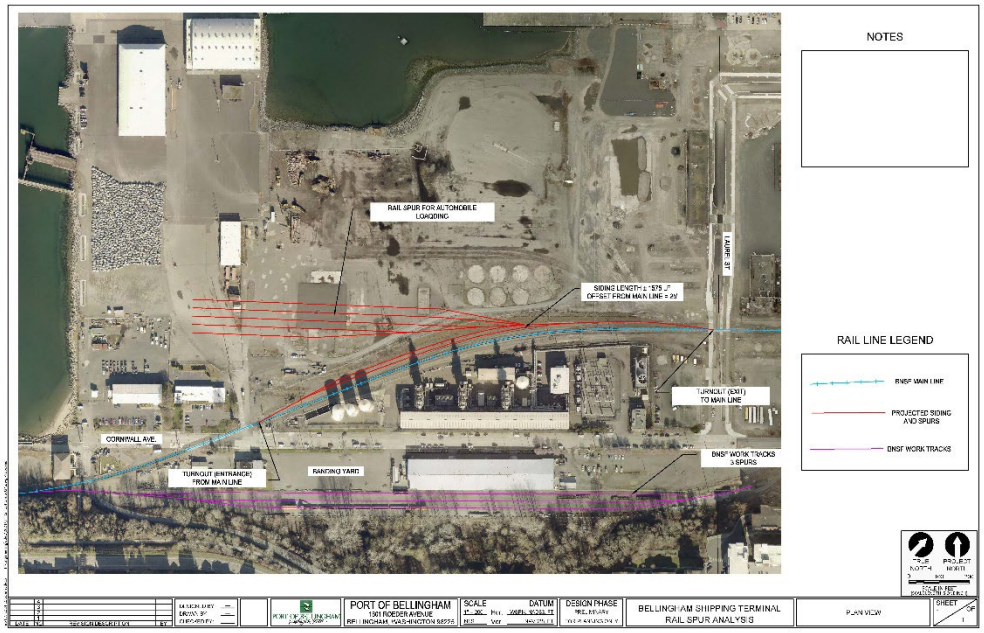
Hyundai is not the only potential customer. MOL is looking at BST to import Subaru units into the Canadian market as well. With 1000 units per vessel, with potential to call several times per

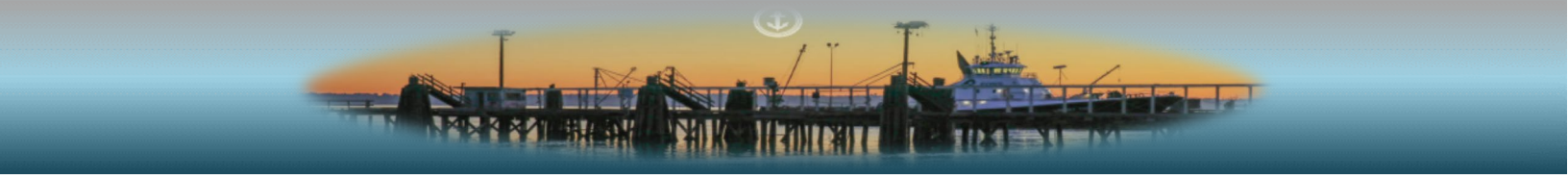
month bypassing Vancouver, BC, creating more US jobs and economic development. The Port of Vancouver WA has given notice to the US Wyoming Sodium Bentonite exporters (exporting 83,00-130,000 MT per year) they must find a new home port for these exports. This is a problem for the 4 biggest shippers of Bentonite, Tyco USA recently visited the port in Feb 2024 and they are in need of a new location that is rail served. We have the warehousing available and the berth, but no rail connection. BNSF is scrambling to find their customer a new home for the next 35 years, we would like to be part of that discussion going forward. We routinely have to tell potential customers that we have no rail connection and this is a roadblock to many opportunities.

The BCA Narrative and BCA calculations documents show the benefits of removing the trucks removed from road and providing rail as an alternative mode to transport the products. There is a rail connection engineering diagram that specifies how much and how long of each rail component that is needed, and construction costs also included in our packages. BNSF is also in possession of this layout. The Port and BNSF have been working on a layout for the last several years and believe this layout to be the most efficient for all parties. The current layout has 5 loading tracks and a 1575' siding.

Total Track Length is 5995 ft. per BNSF. The rail length is the same in the redesign, it is spread over more rail lines but shorter in length per BNSF advice on rail for autos and bulk. Rail cars for autos vary between 87-89ft w/10 autos per rail car. Each auto rail car is equivalent to 1.11 trucks (w/9 autos per truck). Rail cars for bulk cargo vary between 57-71ft w/4700-6560 cubic feet of cargo. Each bulk rail car is equivalent to 1.17-1.64 trucks (w/4000 cubic feet per truck). Availability of empty rail cars and service frequency will vary but estimates are based on bi-weekly service.

Exhibit 1:BST Rail Connector Proposed Layout





Good Jobs well-paying Jobs

The implementation and use of the Rail Connection will create good paying union jobs -direct longshore jobs at Port and indirect and induced jobs throughout the community.

It is anticipated that every maritime job at the Port of Bellingham generates 0.48 indirect and 0.71 induced jobs.

C. Project Location

The Bellingham Shipping Terminal (BST) is located at 625 Cornwall Avenue, Bellingham, WA This Coastal Seaport is a small port as defined by per 46 U.S.C. § 50302(d) and is in a federally designated community development zone as a Qualified Opportunity Zone.

It is in Census Tract 6 that is recognized as an Area of Persistent Poverty (APP) and a Historically Disadvantage Community (HDC).

Exhibit 2: Project Location

BST Rail Connection- approximate coordinates	
Latitude	48.746035
Longitude	-122.488398

The on-dock rail will be located as part of the BST facility, adjacent to the Bellingham Shipping Terminal located at 629 Cornwall Ave. The Project is less than two miles west of I-5 exit #233.

Exhibit 3: Project Location Maps

The site is in a Rural Area as designated by the 2020 Census.

Census Tract 6 (2010 and 2020) is considered Areas of Persistent Poverty and is considered a Historically Disadvantaged Community.

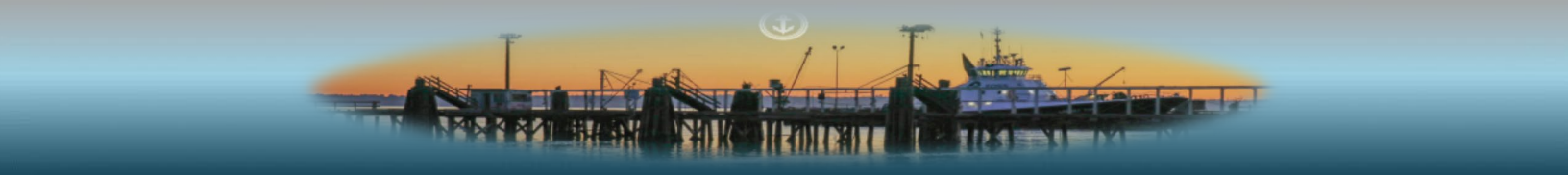
PORT OF BELLINGHAM
Washington State

RAISE Program
FY 24 Grant Application

III. Project Budget

Restoring Resiliency
Bellingham Shipping Terminal
Rail Connector Project

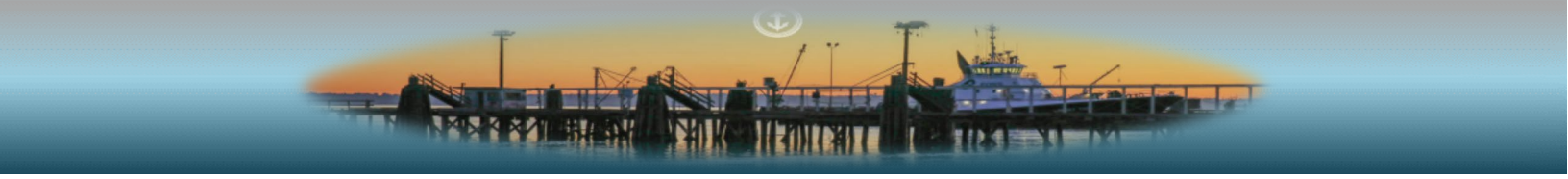
UEI: NRYGMRVUBJA6
February 2024



Project Website https://www.portofbellingham.com/980/Grants

Contact information:

Matthew Cress
Business Development Director
Port of Bellingham
Cell 510-219-0404
mcress@portofbellingham.com



I. Project Budget

Port of Bellingham is requesting $17,931,000 (100%) from USDOT's RAISE FY24 grant program.

The Port of Bellingham is requesting (Seventeen Million Nine Hundred Thirty-One Thousand Dollars) in RAISE FY24 grant funding to restore rail connection to the Bellingham Shipping Terminal (BST) with additional track inside terminal. We have named our project the RAIL CONNECTION – PORT OF BELLINGHAM WA.

Exhibit 1: Statement of Sources and Uses of Funds

Task #	Task Name	Cost	Percentage of Total Cost
1	Engineering Design, Construction Management, NEPA Review and Permitting	$ 4,649,384	26%
2	Construction	$13,281,616	74%
Total Project Cost		$17,931,000	100%
Federal Funds Received from Previous Grant		$0	
RAISE FY24 Federal Funding Request		$17,961,000	100%
Non-Federal Funding/Match (list sources) Please list amounts per source Port of Bellingham Match		Cash: $0 In-Kind: $0	0%
Portion of Non-Federal Funding from the Private Sector		$0	
Portion of Total Project Costs Spent in a Rural Area		$17,931,100	100%
Pending Federal Funding Requests		$0	

Table 1: Funding Sources by Component

Funding Source	Rail Connection Funding Amount	Total Funding
RAISE Funds:	$17,931,100	$17,931,100
Other Federal Funds:	$0	$0
Non-Federal Funds:	$0	$0
Total:	$17,931,100	$17,931,100

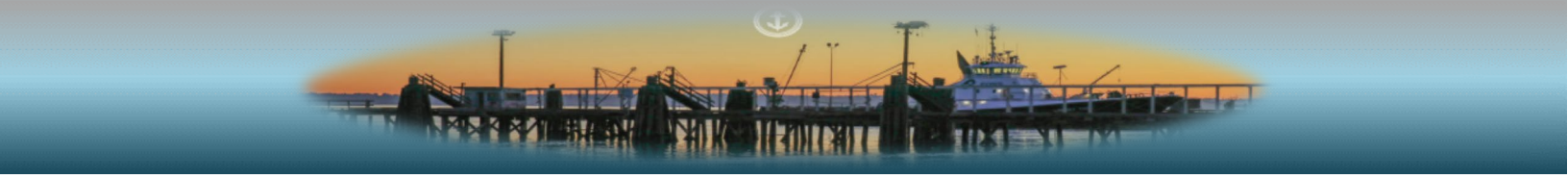


Table 2a: Project Costs by 2020 Census Tract

2020 Census Tract(s)	Project Costs per Census Tract
6	$17,931,100
	Total Project Cost: $17,931,100

Table 2b: Project Costs per 2010 Census Tract

2010 Census Tract(s)	Project Costs per Census Tract
6	$17,931,100
	Total Project Cost: $17,931,100

Table 2c: 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)*	$17,931,100
	Total Project Cost: $17,931,100

Project Budget Narrative

Sources, Uses, and Availability

The federal funds requested under this Application will be used for Pre-engineering activities and Construction of the Project as delineated in Exhibit 1: Statement of Sources and Uses of Funds Sources and Uses above.

Contingency Amount

The Project Cost Estimate includes a 30 percent contingency equal to $4,157,734.

Level of Design

The Project is currently in the redesign state, with consultation from BNSF. We have an approved 3 track full design from BSNF that was designed for containerized business a year ago. The redesign is the same amount of track length with recommendations from BNSF to make 5 shorter tracks, taking up less terminal space but effectively supporting auto, bulk and general cargoes.

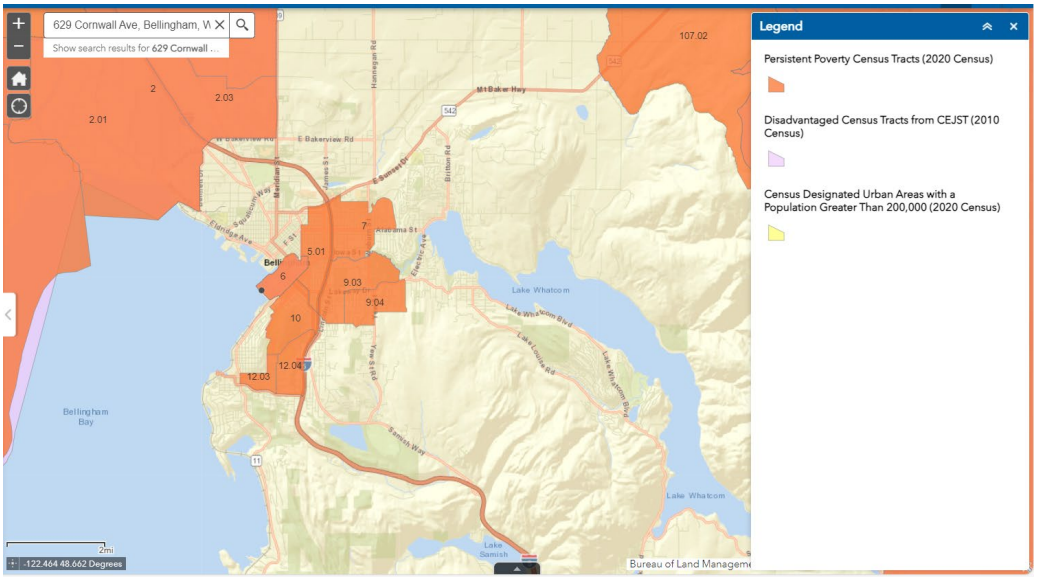
Cost Estimates

The Cost Estimate was prepared in December 2023, by Freeland and Associates, with the details and track approved by BNSF. The ROM was updated for inflation by one year by our Engineering Team at the Port of Bellingham.

Cost Share or Non-Federal Funding Match

As a rural project, a local match is not required in RAISE FY24 as stated in the RAISE FY24 Notice of Funding Opportunity dated November 30,2023 section C. Eligibility Information 2. Federal Cost Share which states "The Federal share of the costs of an eligible project carried out using a grant provided under the RAISE grant program shall not exceed 80 percent unless the project is located in a rural area, a historically disadvantaged community (HDC), or an area of persistent poverty (APP)". This Project is in a rural area, a historically disadvantaged community (HDC), and an area of persistent poverty (APP) as delineated by Grant Project Location Verification Tool

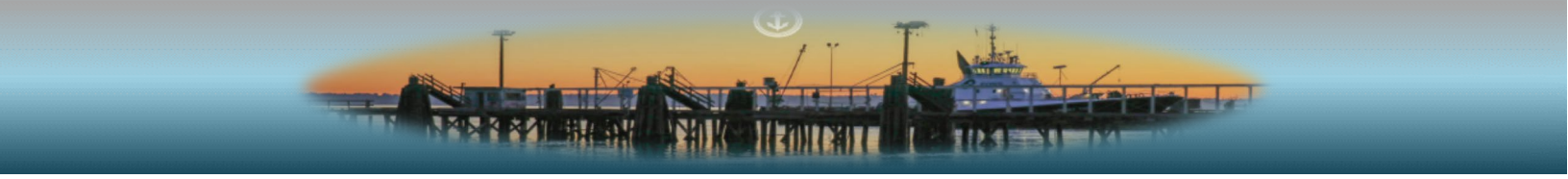
Exhibit 2: Rail Connection Project Eligibility for more than 80 percent Federal Match



Acknowledgements of Non-Federal Fund use and eligibility for reimbursement

The Port of Bellingham does not intend to incur any expenses incurred between time of award and obligation because the Port recognized that these expenses are not eligible for reimbursement, as described in Section B.4.

Similarly, the Port of Bellingham acknowledges that if the Port were to provide a match as non-Federal funds, 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, as described in Section C.2. Further, the Port acknowledges that unless authorized by the Department in writing after the Secretary's announcement of FY 2024 RAISE awards, any costs that a recipient incurs before DOT executes a grant agreement for that



recipient's project are ineligible for reimbursement and are ineligible match for cost share requirements.

Further, the Port of Bellingham recognizes that any costs that exceed the Project Budget will be paid by the Port on a non-reimbursable basis.

PORT OF BELLINGHAM
Washington State

RAISE Program
FY 24 Grant Application

IV. Merit Criteria

Restoring Resiliency

Bellingham Shipping Terminal Rail Connection Project

UEI: NRYGMRVUBJA6
February 2024

Project Website https://www.portofbellingham.com/980/Grants

Contact information:

Matthew Cress
Business Development Director
Port of Bellingham
Cell 510-219-0404
mcress@portofbellingham.com

PORT OF BELLINGHAM
Washington State

Executive Summary

The Port of Bellingham is located 95 miles north of Seattle, in Whatcom County. The Port is the largest property owner in the county and through its Marine, Aviation, and Real Estate divisions supports more than 8,780 total jobs, 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 Bellingham Shipping Terminal income) accounts for approximately fifty percent of this economic impact. First established in 1920, the Port has provided one hundred and two years of service to the community.

The Port of Bellingham has traditionally worked closely with a range of local industries to ensure the accommodation of their ocean shipping requirements in a thorough and professional manner. For decades, the Port was one of America's largest exporters of Aluminum Products (from the local Alcoa-Intalco facility) and Pulp (from the adjacent Georgia Pacific plant). Additionally, the Port served the domestic shipping needs of local module manufacturers who supplied units to meet the temporary housing needs of various Alaskan outposts.

With the elimination of export activities by both Alcoa and Georgia Pacific, the Bellingham Shipping Terminal has undergone a long process of reconfiguration. In 2016, the Port handled a new commodity, Organic Grain, brought in from Turkey on a handy-sized bulk carrier. The following year, forest products returned to the terminal with logs loaded for both export on an ocean vessel as well as on barges for domestic moves. In 2018, the Port loaded the first of the regular movement of Armour ("Jetty") Rocks on barges. The Port's ability to provide generous "lay down" areas at the Bellingham Shipping Terminal tailored to specific commodity needs has been a great assist for a regional company gaining a long-term Army Corps of Engineers Columbia River Jetty maintenance award. Consequently, the Port handled more revenue volume and regularly scheduled cargo moves in 2019 than it had in the past nineteen years.

The availability of Port property adjacent to the Bellingham Shipping Terminal and the Port's willingness to engage in long-term leases for this land has allowed the Port to move to its next stage of development. Port tenants are encouraged to store commodities, assemble cargo, and make pre-loading preparations in these areas provided they use the Bellingham Shipping Terminal for their ocean shipments. Nearly half of this acreage is under a long-term lease to a company that plans on using the Port as its western terminal for cargoes and commodities sourced in the

Utah/Colorado/Wyoming area. The Port also signed a twenty-five-year contract with the largest recycled metal processor in western Canada ("ABC Recycling"). As part of its expansion into the U.S.A. market, this company has leased much of the remaining property for stockpiling recycled metal before exporting from the Bellingham Shipping Terminal. In the past few months domestically produced breakbulk machinery has been received and is in storage awaiting an international export. The Port believes diversification is the key to future stability for the Terminal and the region's economy.

Exhibit 1: Summary of Proposed Project Current and Future Conditions

Improvement	Current Condition	Future Condition
Returning rail to the Bellingham Shipping Terminal (BST)	No on or near dock rail	Near dock rail to serve BST

This Project is low-risk and can be under construction well before the required obligation date of September 30, 2028.

Exhibit 2: Summary of Merit Criteria

Project Meets Criteria	Description
a) Safety	Reduce truck traffic through densely populated and underserved residential neighborhoods near Port and industrial areas in Census Tract 6, which is home to the Port of Bellingham. As a result, streets become more "pedestrian-friendly," and locals rely less on cars for short-distance trips.
b) Environmental Sustainability	This project aligns with our and the State's Climate Reduction Strategy and will remove trucks off the local and national highway network reducing-over 80-million VMT off these roads.
c) Quality of Life	Reducing truck traffic through disadvantaged areas close to Port and the industrial areas will improve their Quality of Life by reducing high volumes of truck traffic and their related externalities such as congestion, emissions and perceived safety issues.
d) Improves Mobility and Community Connectivity	Providing a cost effective alternative to trucking by directly increasing intermodal and multimodal freight movements. Thus, removing VMT off the local road and highway network.
e) Economic Competitiveness and Opportunity	This Project benefits local and regional markets by allowing products to be moved by rail rather than truck, saving shippers transportation costs and providing them and beneficial cargo owners with transportation options. This Project boosts the Port's customers' economic competitiveness, resulting in long-term job creation and workforce development opportunities. The success of this project will allow the local Washington state chapter of the longshore workers union (ILWU) to refresh its membership rolls while also reaching out to previously under-represented local native groups such as the Lummi and Nooksack Nation. Furthermore, the increased cargo movement through the Port will generate indirect and induced jobs for the community, without negatively impacting our Environmental Justice community members.
f) State of Good Repair	The "Rail Spur" was once used to transport rail cars to domestic destinations. This mode of transportation was discontinued in the 2000's, and the rail tracks removed.

g) Partnerships and Collaboration	To ensure that the Port is inclusive of the underserved members of our community, an EJ Analysis for the BST was completed using EJScreen and other tools to inform the Port of the attributes and needs of the community. See Appendix B. The Port is committed to working with ILWU to increase highly paying union jobs on the waterfront.
h) Innovation	
i. Innovative Technologies	The Port is committed to achieving the highest level of environmental excellence to doing our part in improving the air shed, by electrifying our terminal and terminal equipment as technologies become available for our specific needs. We are members of Green Marine and the Port operates with 100% renewable energy.
ii. Innovative Project Delivery	The Port will work closely with BNSF to ensure that the Rail Connection meets their needs and specification and connects to the mainline to allow efficient and timely arrival and dispatch of railcars from the Port onto the mainline while not interfering with other mainline traffic
iii. Innovative Financing	The Port is continuing to look for innovating financing options

IV. Merit Criteria

This Project will improve road safety, reduce road maintenance costs, and reduce truck emissions by reducing truck vehicle miles traveled on our highways. This investment will provide customers with additional modal choices for cargo movement. These additional choices will enable cargo owners to move cargo efficiently at an economically favorable cost. Completing the Bellingham Shipping Terminal with this Rail Connection improvement will generate significant new opportunities for continued economic growth in our area by rehabilitating the deep-water shipping terminal to move goods regionally, cost-wise, and internationally.

a) Safety

Safety is a primary project purpose for the Port of Bellingham Restoring Resiliency- Rail Connection Project. Safety of particularly important to the Port both on and off terminal. The Project has clear, direct, data-driven and significant benefits that targets a known, documented safety problem, by removing Vehicle Miles Traveled by Truck off our local roads and highway network, which in turn will improve road safety.

USDOT's National Roadway Safety Strategy

Large Truck Fatalities in Washington State compared to Whatcom County, WA. The State of Washington recorded 5,370 fatalities in the years 2013-2022, 11 percent (591) were fatalities in crashes involving Large Trucks. Over the same period, Whatcom County experienced 11 percent (13) fatalities involving Large Trucks and the City of Bellingham had 2 or 6 percent of the fatalities over the same time period involving Large Trucks. Thus, it is very important to remove as many Large Trucks as possible off the roads in Whatcom County and the Washington State road network. Only one of the recent fatalities was located near the Port of Bellingham BST and it was a single car accident.

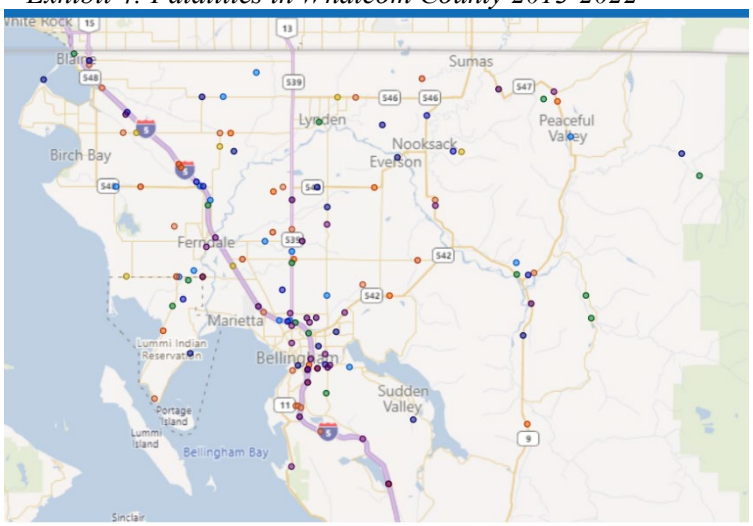
Exhibit 3 Chart of Fatal Statistics, Bellingham, Whatcom and Washington State

Type of Fatality/ Involvement Statistics	City of Bellingham	Whatcom County	Washington State
Minority	38%	36%	28%
Large Truck	6%	10%	11%
Bicycle / Pedestrian	46%	28%	21%

As the Statistics show in Exhibit 4, Minorities in the City of Bellingham experienced a higher level of involvement (38 percent) versus 36% County-wide and 28 percent State-wide. For Fatalities involving Large Trucks, Washington State as a whole has seen a rate of 11 percent, a percentage point higher than Whatcom County over the same 11 year period. Although the City of Bellingham experienced the lowest involvement of Large Trucks at a 6 percent rate, it had the highest percentage of Bicycle / Pedestrian Fatalities (46 percent) over twice the State experience of 21 percent. Providing shipper with an alternative transportation mode to trucks, should help prevent Fatalities involving Large Trucks in the future. Working with the County and City to have safer streets that align with their Target Zero initiatives, should help prevent both Minority and Bicycle/ Pedestrian Fatalities.

Prior to the completion of the Project, the Port will participate in Operation Life Saver Education in the area to help the Community understand rail operation and the related safety precautions that must be followed to avoid tragic accidents on or near the rail line. Along with educating the Community, taking trucks off the road will reduce the risk of Truck related accidents in the City of Bellingham, Whatcom County and I-5.

Exhibit 4: Fatalities in Whatcom County 2013-2022



Under the Target Zero County Priorities, Whatcom County is focused on reducing fatalities related to Impairment Involved (46%), Lane Departure (49%), Speeding Involved (33%) and Unrestrained Vehicle Occupants (42%) in their Level One Priority Areas.

With the approval of this project, using only 20 percent of one example supply chain, at least 30,000 trucks can be removed from the City of Bellingham, Whatcom County and I-5 near the Port of Bellingham. A viable rail alternative will have a profound effect on the Interstate-5 Corridor but also on city and country roads and streets in Whatcom County. Removing heavy cargo off our local roads and highways will help achieve the Washington & California goals of Vision Zero, which align with USDOT's National Roadway Safety Strategies. Our Benefit-Cost Analysis estimates that over the 20-year period following the completion of the Project, at least 80 million vehicle miles will be removed from the roads and highways. This can save the public $12 million in a potentially avoidable death and an estimated 3 severe injuries caused by vehicle accidents.

Moreover, reducing truck traffic will allow streets & roads in this **rural area** to be available for greater use of active transportation options for the community of pedestrians and cyclists. A modal shift to rail transportation to support our Bellingham Shipping Terminal will result in a reduction in trucking which will reduce air pollution in areas currently exclusively served by trucks.

This project would also promote the goals of the National Roadway Safety Strategy (NRSS) and its Safe System Approach to highways.

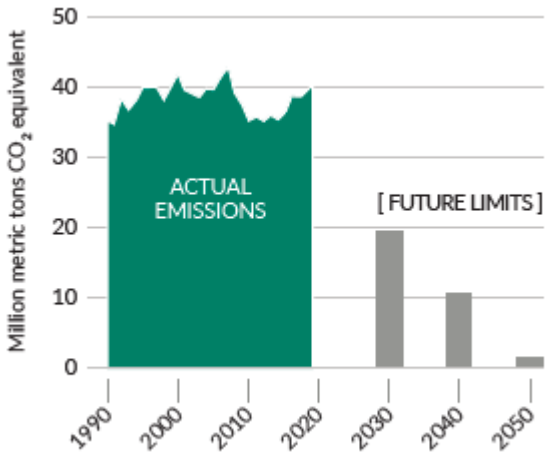
Providing a safe terminal for our employees, labor, and customers is a high priority.

b) Environmental Sustainability

Improving our Environment is a primary project purpose of the Port's investment in on / near dock rail. Offering rail as a transportation option will reduce emissions by shifting freight to a lower carbon travel mode. With rail as a modal option for the Port's customers, the utilization of the rail facility will reduce transportation related air pollution and greenhouse gas emissions in our Community as a whole and especially in our disadvantaged area near the Port. This Project is anticipated to reduce VMT on our roads through a modal shift to rail. The Port will prioritize the incorporation of lower carbon pavement and construction materials into the development of this rail investment. The Project improves the Port's infrastructure by returning rail service to the Port of Bellingham, which compliments the work that the Port has underway in modernizing the current terminal from a state of idleness to productive use. Once completed, the rail facility will provide both the Bellingham Shipping Terminal and the region with assured economic resiliency and a disaster recovery site. Expanding on the Port's maritime capacity in conjunction with reintroducing rail to the terminal improves its supply chain resiliency support a large section of northwest Washington State by rail in case of a disaster.

Reducing greenhouse gas emissions produced by long and short-distance trucks is important in reducing the harmful effects of air pollution (such as childhood asthma), especially around transportation hubs such as ports and highways. Removing trucks from the roads and highways will decrease truck vehicle miles traveled (VMT) and reduce diesel fuel usage, reducing greenhouse gas emissions. Energy efficiencies in that a train can carry the cargo equal to 58 large semi-trucks. The completion of this Project aligns with the State of Washington's Transportation Carbon Reduction Strategy (TCRS). The TCRS describes the policies and strategies being implemented across the state that reduce transportation greenhouse gas (GHG) emissions, bringing together the extensive work underway to move Washington toward meeting its emission reduction limits.

Exhibit 5:WA's Emissions vs. Future Limits



Applying Washington's statutory GHG limits to the transportation sector means the state needs to reduce transportation emissions by 50% from 2019 to 2030 and drop to net zero by 2050.

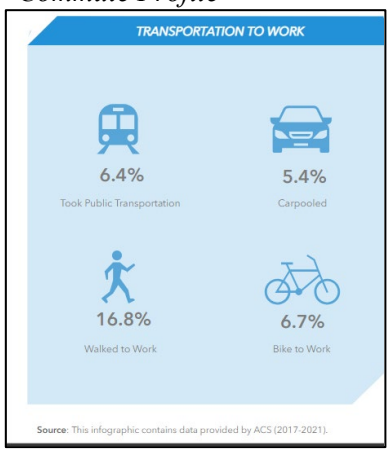
The State's blueprint for meeting greenhouse gas limits, *known as* the **2021 Washington State Energy Strategy**, identifies two overall strategies that work together to reduce transportation emissions:

- Move people and goods more efficiently and equitably
- Electrify vehicles and switch to low-carbon fuels

Moving people and goods more efficiently and equitably includes advancing the state's climate goals while addressing historic inequities that impact overburdened communities and vulnerable populations. Efficiency and equitable access can be achieved by:

- Reducing the need for travel by shortening travel distances or avoiding the need for trips altogether.
- Shifting travel to more efficient modes such as active transportation, public transit, or maritime freight transport, and moving more passengers or goods per trip.

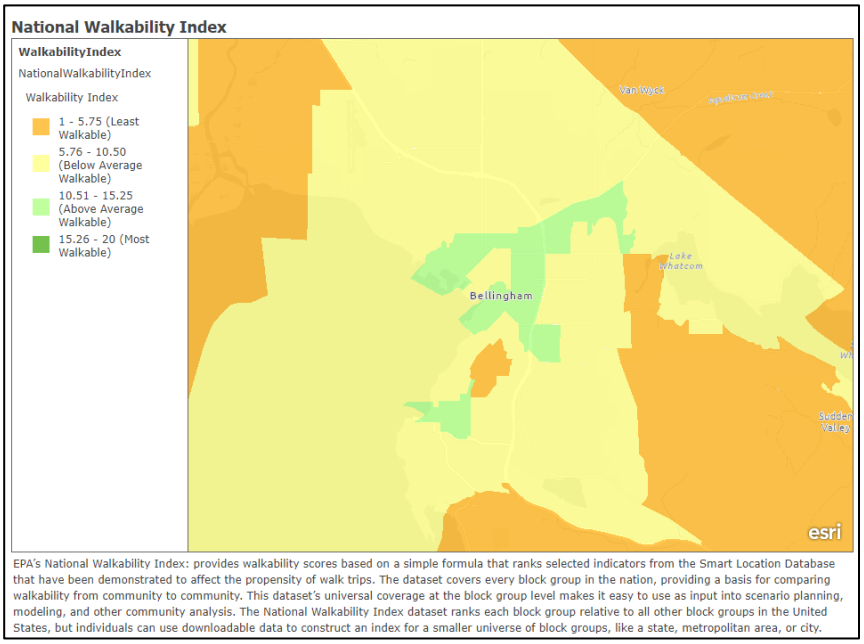
Exhibit 6: City of Bellingham Commute Profile



This Project supports shifting transportation to more efficient modes and moving more goods per trip. A secondary benefit aspired to by the Port, is that will less trucks on Bellingham roads, more people will chose active transportation for shorter travel distances. The Port believes this to be a probable outcomes based on the Port's location in a university town where currently 16.8 percent walk to work and 6.7 percent bike to work.

Using the National Walkability Index, it can be seen that although the Port area is characterized as "Below Average Walkable" areas north and south are characterized as "Above Average Walkable". The area adjacent to BST (Census Tract 530730010001) is characterized as "Least Walkable" at 4.00 due to the density of the road network, traffic density and intersection density.

Exhibit 7: Walkability Index for the City of Bellingham



Port has achieved the Green Marine's Certification to further their commitment to environmental excellence

The Port is the newest 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. The certification process is rigorous and transparent, with results independently verified every two years and each participant's individual performance made public annually.

"We are committed to achieving the highest level of environmental excellence, and the decision to join Green Marine helps fulfill this commitment," said Port Executive Director Rob Fix.

The Port has taken a leadership role in cleaning up historical environmental contamination, rebuilding waterfront infrastructure and transportation terminals, and transitioning underutilized property back into productive use. The Port of Bellingham adds to the diverse types of ports along the Pacific Northwest maritime route now participating in Green Marine, the program offers the flexibility and scalability for varying maritime operations to improve their environmental performance further. Port Participates in the below initiatives:

- Green Marine
- Blue Marine
- Port has invested in electric vehicles: F150 lightnings
- Quiet Sound - Port will encourage ship operators to participate in the program in the Puget Sound to protect Orca habitats w/voluntary speed reduction in transit.

"The comprehensive framework of Green Marine's environmental certification program will help improve the sustainability of our maritime operations by ensuring we are utilizing state-of-the-art technologies and the best available management practices," Fix added.

Port operates with 100% renewable energy

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.

"Environmental stewardship and strategic cost management are extremely important to the Port of Bellingham and the citizens of Whatcom County. The Green Direct Program provides a cost-effective solution for the Port to purchase 100 percent renewable energy and significantly reduce carbon emissions. This program aligns well with the Port's environmental and economic sustainability commitment. Under the Green Direct program, Puget Sound Energy utilizes long-term service agreements from local governments and major commercial customers to incentivize the development of local wind and solar projects.

Climate Change Mitigation

Implementing the Rail Connection Project and the Port of Bellingham's Environmental Sustainability program is mutually beneficial. The Project will address climate change by reducing emissions of the transportation industry and through its design and implementation.

This Project is addressing climate change directly by taking steps to retrofit cargo handling equipment at the Bellingham Shipping Terminal with electric engines, thus reducing fossil fuels used by heavy equipment used for cargo handling. Adding rail to the Terminal will further reduce miles traveled by trucks. The Intergovernmental Panel on Climate Change's 2014 Assessment Report Chapter 8 compares carbon dioxide (CO_2) emissions from the rail, waterborne, and road modes of transport. The CO_2 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. The funding and completion of this Project significantly reduces direct carbon dioxide emissions, other greenhouse gases, and diesel particulate matter.

This Project aligns with the State's carbon reduction plan and the Whatcom County Climate Action Plan that recognizes that the County is built 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. As the Bellingham area faces the uncertain future of a changing climate and its effects on land, water, natural resources, economy, and livelihood, the residents and businesses stand committed to climate change mitigation and adaptation actions that will enable the community to live and prosper together on this land. 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.

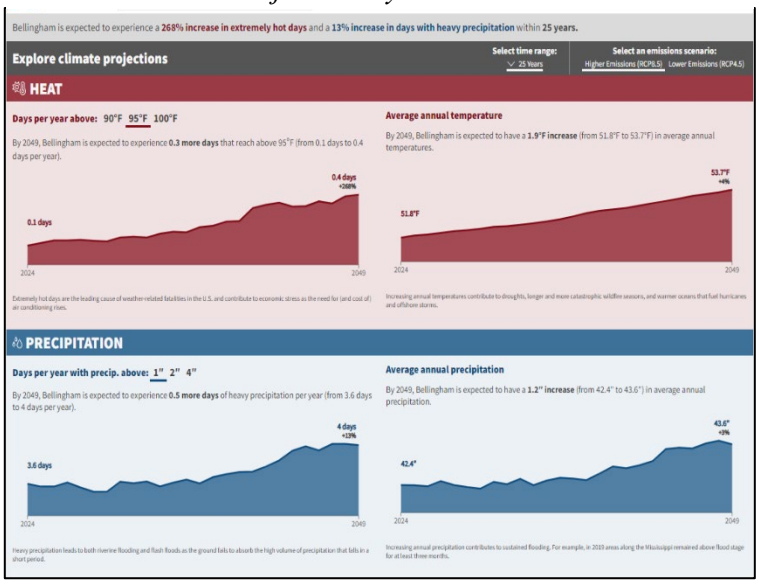
In 2017, transportation was the third-largest source of GHG emissions in Whatcom County. The combustion of fossil fuels by on-road vehicles is the leading contributor with 81.8% of transportation emissions of CO_2. Upon implementation of the Project, on-road transportation CO_2 emissions will be reduced as cargo can then be transported using a lower-carbon transportation option of rail versus truck.

Sea Level Rise assessment and adaptation at the Port of Bellingham

As part of its overarching Climate Action Strategy, the Port of Bellingham has recently completed the first phase of a Port-Wide vulnerability assessment. The Bellingham Shipping terminal will be part of the next steps to prioritize further vulnerability exposure, sensitivity, and adaptive capacity analyses. Underway with a Port-wide resiliency initiative.

It is forecasted that if Emissions continue to grow, Bellingham is expected to experience a 268% increase in extremely hot days and a 13% increase in days with heavy precipitation within 25 years. This means there will be 0.3 more days that reach above 95°F than is expected in 2024. Average Annual Temperature by 2047 is anticipated to increase by 1.9°F.

Exhibit 8: Climate Projections by 2047



If emissions can be lowered, then the projection is lowered to a 235% increase in extremely hot days and a 3% increase in days with heavy precipitation within 25 years.

The Port will ensure that the Project is incorporated into the Port's efforts to meet or exceed the State of Washington, Whatcom County, City of Bellingham, and Port of Bellingham greenhouse gas reduction targets as part of our Carbon Reduction Strategy that aligns with State and National Goals. Sea level rise has been considered in the planning phase of this Project and will continued to be considered in all phases of this Project as it is implements this infrastructure investment in conjunction with the vulnerability assessment. PND Engineers completed a met-ocean study on BST that included the expected wind, wave, and mooring loads the refurbished structure should be designed to handle. This analysis factored in historical and projected sea level rise for the project location and severe

weather events. This study is summarized in the 30% design on pages 55 through 74 of the report PND provided on 8/15/16.

The University of Washington Climate Impacts Group evaluated sea level rise using two greenhouse gas scenarios: 1) Low (RCP 4.5) and 2) High (RCP 8.5). This modeling shows that in the anticipated RCP 8.5 scenario, by 2050, there is a 17% chance that the relative sea level (RSL) will rise 0.8 ft. There is a 1% chance the RSL will be 1.3 feet for the same scenario. These conservative scenarios are commonly used for long-lived high-dollar capital projects. In addition, the report Extreme Coastal Water Level in Washington State, Guidelines to Support Sea Level Rise Planning, prepared as part of the Washington Coastal Resilience Project, will be used to determine the appropriate freeboard of the terminal to address future sea level rise. Additionally, the Port has collaborated with local jurisdictions to have the USGS apply the Coastal Storm Modelling System (CoSMoS) project to the Whatcom County shoreline. This model adds the dynamic storm surge component to the UW RSL modeling. The result will be a more realistic tool for predicting the actual effects of SLR on Port infrastructure. Preliminary CoSMoS model outputs are currently being incorporated into Port capital improvement project planning such as the Rail Span project.

More information on these projections is found in the Environmental Justice Analysis prepared for the Bellingham Shipping Terminal in Appendix B.

Stormwater Improvements

To help protect our local economy and infrastructure from the effects of climate change, designing the Terminal and related rail improvements to meet sea level rise and other climate change-related outcomes such as increased rain and storm events is crucial. This can be mitigated by designing additional modern stormwater systems to catch and process the increased rain volumes, implementing Port policies that encourage the reduction of greenhouse gas emissions through instituting low-emission and energy-efficient equipment, and the use of rail transportation to move cargo to and from the region.

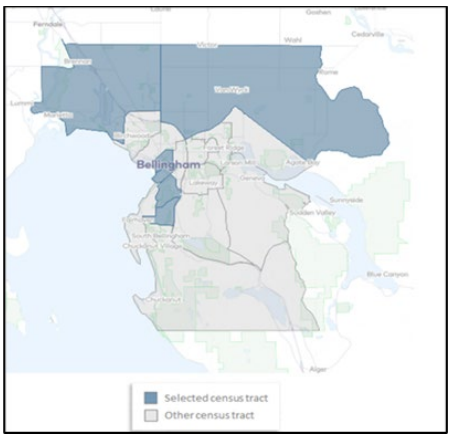
Currently all stormwater in the cargo support area that will house the rail lines is managed by the ports ecology permit and drains to catch basin called the ASB where it evaporates and leaves sediment. There are no additional stormwater concerns for the implementation of this Project as the stormwater system for this area is already in place and has capacity to meet current needs. At some point in the future the port will upgrade the system as it becomes necessary to meet regulations or capacity requirements. Any dirt moved during the construction will be disposed of properly if there is any contamination found by our environmental team after testing (Keep in mind, this is the old Georgia Pacific terminal).

The Rail Connection project builds on existing infrastructure, recycling materials and using low-carbon materials such as green concrete where applicable. These efforts reduce the amount of greenhouse gases emission emitted over the life-cycle of the project.

c) Quality of Life

Improving the Quality of Life for residents and workers near the Port is a primary project purpose. 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 Quality of Life of the residents near the port by improving air quality and reducing congestion. Less truck traffic will assist in making streets more "pedestrian and bicycle friendly". Removing trucks from the local roads will increase the "comfort" level of active transportation users. The Port believes that with the reduction of truck traffic, the daily burden of large-scale congestion will be reduced Thus, providing local citizens the opportunity to choose walking or biking as an alternative to automobile usage. Thus, there can be less dependent on cars for short-distance trips and community members may be more likely to walk or bike to local services thus reducing their transportation costs. Removing over 80 million vehicle miles traveled by trucks off the roadways will reduce congestion near the Port terminals, improving access to daily destinations like jobs, healthcare, stores, education facilities, and recreation. Improving air quality and reducing vehicle congestion will improve the public health of the residents. For those residents with limited access to a car, reduced traffic congestion may promote active transportation options such as walking, biking, and other forms of active transportation to access daily activities such as shopping, schools, and medical services.

Exhibit 9: Map of Environmental Justice Census Tracts



Environmental Justice Considerations

The map in Exhibit 10 shows that 6 out of 17 census tracts in the Bellingham area are considered populations at risk when compared to the community and US averages. The tracts indicated in Blue, represent areas where 27% of the families are in poverty, 66% live in rentals compared to a US average of 36%, and 15% of the residents do not have access to a car, which is 55% higher than the US average. Within Tract 6, Poverty is 36% (116% above the US average), Rentals represent 95% which is over 90% above the US average, and 34% do not have access to a car (119% above the US average).

The Project does not harm nor disproportionately impact our Environmental Justice members of our community in a negative way. See Appendix B, Environmental Justice Analysis for more details on our community.

d) Improves Mobility and Community Connectivity

A priority project purpose for this Project is improving Mobility and Community Connectivity in the region. The overall effect of the project will be:

1. The minimization of long-haul trucking by providing an on Port rail alternative to shippers. The focus of the service provided at the rail facility where shippers have easy access to rail. Thus, providing them with an alternative to long-distance trucking.

The overall goal will be to eliminate links from the "Supply Chain" that stand in the way of commerce while also taking a major step towards a clean energy future.

Exhibit 10: BNSF will serve the new Rail Connection

e) Economic Competitiveness and Opportunity.

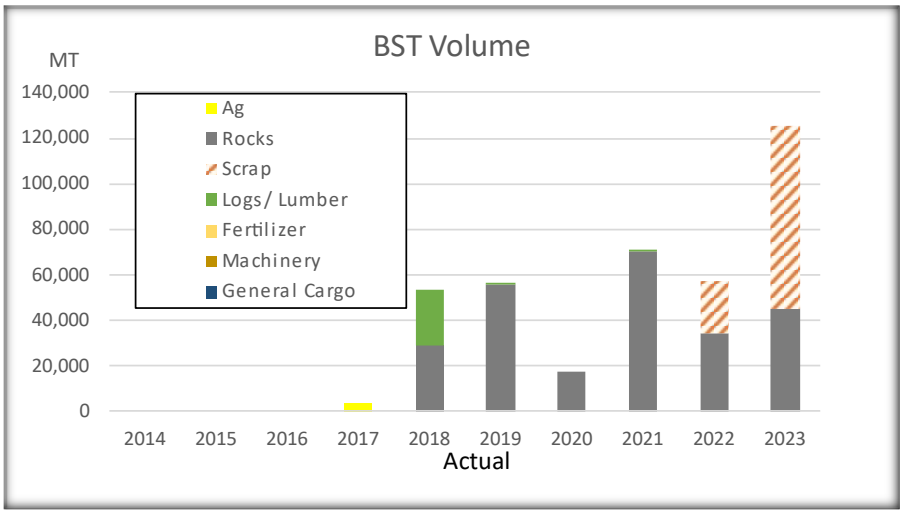
This Project has a primary project purpose of increasing Economic Competitiveness and Opportunities for the community and shippers. It improves multi-modal freight mobility, improving supply chain bottlenecks that experience bottlenecks between the Port of Bellingham and inland destinations. Since 1920, the Bellingham Shipping Terminal has met ocean shipping needs of primarily of breakbulk customers. For decades, the Port specialized in forest products such as pulp, woodchips, and logs, as well as aluminum slabs and ingots. Industrial consolidation slowed the movement of these base commodities from the Port of Bellingham in the early years of this century. Fortunately, the facility remained operational as a center for industrial module fabrication, domestic barging, and a lay-berth site for US flag cargo ships. These advancements have resulted in a resurgence of exports and increased import activity. Armour Rocks and other Construction Materials, Organic Grains, Pulp Logs, Hardwood Logs, and Recycled Metals have all been handled in recent years. Machinery Exports, and Lumber, General Cargo and Neo-Bulk including vehicles (ro-ro) and equipment Imports are among the anticipated cargos that would use the new rail facility. Previously, the Port made significant investments in cargo handling equipment as part of the BST revitalization. In 2018, the Port and Longshoremen of ILWU Local 7 collaborated to identify the equipment best suited to the Terminal's current and anticipated cargo needs.

Exhibit 11: Recycled Scrap Metal

See Appendix G for a summary of the Port's 2019 through 2023 Cargo Statistics and USACE 5-year cargo statistics for the Port.

In 2018 the Port invested more than $1.3 million in forklifts, terminal trucks and trailers, hopper & belt conveyors, a reach-stacker, and a front-end loader. In addition, the port acquired a secondhand Harbor Crane (LHM 420) from MARAD in 2021. The cost of the crane, including transportation and repairs, is $ 1.2 million. In addition, there is a 140' certified truck scale that is used for weighing cargo. As the terminal is modernized, future cargo flows will dictate the next equipment acquisitions.

Exhibit 12: Bellingham Shipping Terminal Cargo volumes



The Port has successfully secured industrial activities to replace the former log exporting facilities. The site was previously used for log storage before loading to vessels and barges. This property is now under lease to ABC Recycling which will use it as a staging area for recycled metal (shredded scrap) before exporting the materials from the Bellingham Shipping Terminal. The re-introduction of rail to BST will provide ABC Recycling with direct rail access versus their current supply chain that requires the scrap to be off-loaded from rail to truck at a rail yard 26 miles from the Port and delivered by truck to the ABC Recycling location adjacent to BST.

In its role as FTZ Grantee in Whatcom County, the Port has taken steps to facilitate a Foreign Trade Zone (FTZ #129) at or adjacent to the Bellingham Shipping Terminal. Using the Alternative Site Framework (ASF) the Port is ready to provide this new benefit for businesses in Whatcom County. Once an operator is approved, new or existing companies can secure Foreign Trade Zone status for warehousing and distribution operations within 30 days from the time an application is accepted. Manufacturing applications can be approved in 120 days. This is a new process that allows businesses FTZ designation more quickly and at a lower cost.

This grant will help the Port advance its transition from a declining ex-mill port to a modern, robust maritime facility. The Rail Connection Project supports the Port's efforts to take more cargo off the I-5 and I-90 Corridors

This grant will significantly bolster regional economic opportunities for decades into the future as the revived terminal will offer services to an expanded list of customers and cargo types. With the completion of this Project, the Port will be able to meet current customer demand to ship heavy cargo and containers out of the Bellingham Shipping Terminal (BST) by rail from the new Rail Connector facility.

The ability to transport containers, heavy bulk, neo-bulk and breakbulk cargo through the Bellingham Shipping Terminal will improve and generate new economic vitality for the north sound communities. Currently, shippers in the north sound truck their commodities to and from other Puget Sound rail terminals or truck their commodities to the final destination.

These investments will provide the region with improved system operations, and efficiency per day. Truck related delays are expected to worsen over time. The cost of trucking products intended for export through the bulk terminals at the NWSA from the north sound will likely limit significant private investment in manufacturing and the potential for permanent job creation in Whatcom and Skagit Counties. The Port is working with potential customers who would like to

locate at or near the Port if the Port can provide rail services as an alternative transportation mode for their products.

Promoting local inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises or 8(a) firms

In addition, marginalized residents in the area need a thriving community to work, live and play. Increased economic activity created by the Project will generate jobs in the community that will enable the economically disadvantaged to participate in the workforce. This Project will create opportunities for the underserved residents in surrounding tracts to participate in the increased economic activity that will be generated at the Port and surrounding area. 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. The Port will include minority participation goals 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 includes:

- a formal 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.

Improving the efficiency of cargo moving through BST will bring more cargo to the Port and in turn will add jobs to the area. These jobs will be direct port jobs and indirect and induced jobs. Direct Port unionized jobs are primarily under ILWU jurisdiction and are secure middle-income wage jobs that provide stability and the generation of free cash flow within the family budget to purchase goods and services within the local community. The port jobs will generate indirect jobs in the community which will be available to the residents. It is anticipated that every maritime job at the Port of Bellingham generates 0.48 indirect and 0.71 induced jobs.

f) State of Good Repair

This Project prioritizes modernized transportation assets. This project builds on the Port's efforts to modernize the condition and utilization of Port of Bellingham Terminal asset to return BST to a modern condition within the existing footprint. By reintroducing Rail to the Terminal, the Project will establish a brand new asset that is in an excellent state of good repair.

The availability of rail at BST will provide supply chain resiliency by offering an alternative to trucks on the I-5 Corridor for multiple customers. Each train can transport up to 240 autos, equal to 26 truckloads or 4600-6560 cubic feet of bulk cargo equal 34 trucks loads. Bi-weekly service would equal 60 trucks per week or 240 trucks per vessel per month. We project 2+ vessels per month which is 5,760 tucks conservatively removed from the Highway I-5 in year 1 for the Project. With rail service we do anticipate 3+ vessels per month and potentially more. Implementing a rail service to support import of vehicles between Bellingham and inland destinations is estimated to conservatively at 20% of the customer's projected volumes would take 80 million vehicle miles traveled off the roads and highways, over 20 years, reducing wear and tear on road networks which is estimated to save $10 million in road maintenance over the 20- year analysis period.

g) Partnership and Collaboration

Building on our strong Partnerships is a primary purpose of this Project. A collaborator in the Project is the ILWU (International Longshore and Warehouse Union) Local 7 Bellingham branch. The Port has involved members of this union in many aspects of the planning and design of the

projects and values their suggestions and input. If the project is selected, Local 7 will be able to boost its membership roster as there will be an increased need for union longshore labor. This will represent a long-term expansion in the number of family wage jobs in Bellingham and Whatcom County. In addition, members of this union will no longer have to travel to other ports for work, as the Bellingham Shipping Terminal will have become a nexus of maritime activity.

The Port actively ensures equity considerations for underserved communities by engaging their residents and community-based organizations in meaningful interactions throughout the planning and implementation of their projects. For this Project, outreach started in 2003 with an extensive planning effort conducted by the Waterfront Futures Group (WFG). See Appendix E: Public Involvement Activities for more information. This early outreach included 41 public meetings and had 26 guest forums and special events focusing on the waterfront's future. The WFG completed the community visioning process by publishing the Waterfront Vision and Framework Plan which called 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 outreach efforts align with methods showcased in the *USDOT's Promising Practices for Meaningful Public Involvement in Transportation Decision-Making Guide.* Techniques used by the Port include Project websites, public information meetings, and focused outreach to underserved community members to hear their concerns and ideas.

Workforce Development

The Port hosts an annual Marine Trades Job and Internship Fair to connect students and job seekers with employment opportunities with Whatcom County's working waterfront. Marine trades industries create or support over 6,000 jobs representing 7% of Whatcom County's total workforce. The Port's job fair provides access to working waterfront employers from a wide variety of organizations and industries who are seeking hardworking and enthusiastic employees to fill available positions.

h) Innovation

i. Innovative Technologies

Washington State has taken major steps to regulate and reduce truck emissions via Advanced Clean Trucks (ACT) Rule moving the state toward a more just and equitable transportation future that prioritizes cleaner air and a healthier climate. Per Dr. Jean-Marc Bonello, principal consultant at the consulting firm UMAS. "There is enormous potential for the U.S. to be a global leader in maritime decarbonization. This is due to three main factors: energy and technology expertise, lots of coastal and inland shipping activity, and geographically favorable conditions. Our models show that this combination makes the U.S a prime candidate for developing domestic and international green corridors,". Although, the use of rail as a transportation option is not an innovative technology, the Port will be looking at innovative / "green" methods and materials to use in the design and construction of the Rail Connection. Such as recycled "green concrete".

In conjunction with this Project, the Port and its US Marine Highways partners will be issuing an RFP soon focusing on zero-emissions tugs run on battery power or fuel cells to tow barges between Bellingham and San Diego. The RFP for this environmentally friendly option will fit into the Port of Bellingham's emission reduction objective by introducing vessels equipped with zero-emission technology. The tugs ironically are to be powered by Corvus energy whose US production factory is located in the Port of Bellingham.

ii. Innovative Project Delivery

The Port is fortunate in that All American Marine, a leader in zero-emission and fuel cell power systems, is based in Bellingham and is eager to further their contribution to the emerging field. Corvis Energy, the world's leading supplier of zero-emission technology to the maritime industry completed moving its USA operations to Bellingham in May of 2022. Given these developments, the partnership will be well-equipped with knowledge and industry support applicable to this choice. Vicinity Motors a USA electric bus production facility near Bellingham will also potentially gain access to Asian markets exporting their vehicles on vehicle carriers discharging to rail at BST.

Rail Road Quiet Zones:

The City of Bellingham and Whatcom County is on the BNSF North and South running rail line. Multiple trains pass through our port and city daily but do not stop here. The Port and City are both partnered and working together with BNSF to make all rail crossings "quiet zones" in order to reduce the noise and horns already familiar to the populace.

- Link: https://cob.org/services/planning/transportation-planning/quiet-zones
- Both the City and the Port have RR crossings that have been designed and constructed to quiet zone standards. To be a quiet zone, all crossings within a certain distance of each other need to be constructed to the standard. Once completed they begin the long process with the railroad for the official designation. The POB are in the process of getting ours approved.
- Likely quiet zone compliant Port Crossings: F St, C St, W Laurel St, S Bay Trail, Bayview Dr (Boulevard Park), Fairhaven Boat Launch/BCT, Harris Avenue (at main BCT building entrance)
- City: Port is not responsible for city crossings (status unknown) Central Avenue, Cornwall Ave (at BST entrance), Pine St

iii. Innovative Financing

We continue to look for innovative Financing options to supplement our internal capital as well as external funds we have been successfully awarded through grants in the past.

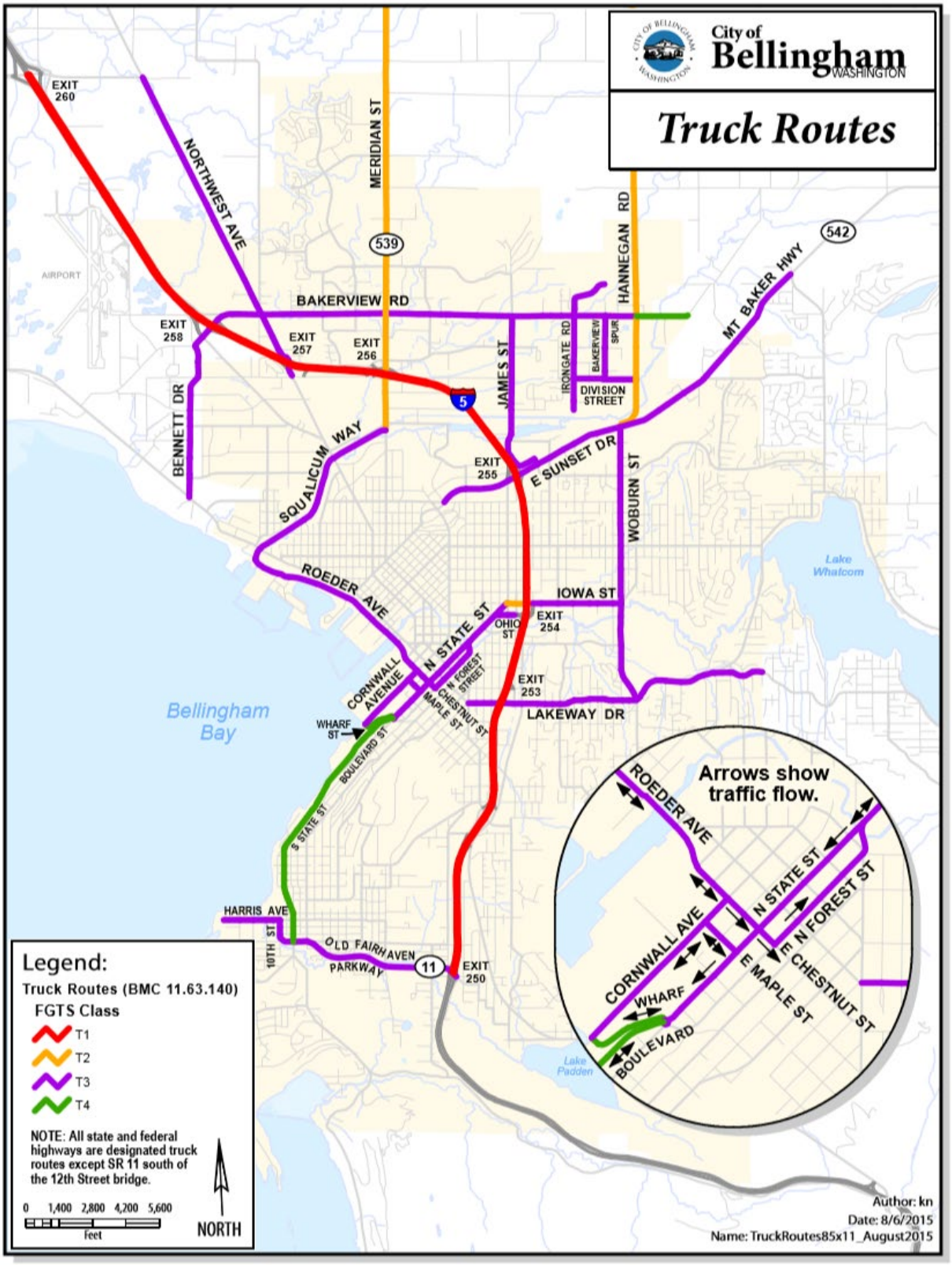
V. Appendix-

A. BCA for Rail Connection- Attached to Application in Grants.gov
B. Environmental Justice and Climate Change Analysis- Attached to Application in Grants.gov
C. Truck Routes within the City of Bellingham
D. List and Map of Cleanup Sites
E. Public Involvement Process
F. Port of Bellingham Grant History
G. Cargo Activity Summaries 2019, 2020, 2021,2022 and 2023
H. 2023 Cost Estimate for Rail Connection- Rough Order of Magnitude attached

The Following Appendices can be found at the Project webpage at:
https://portofbellingham.com/980/2021-Terminal-Modernization

J. Rail Connection Layout Concept
K. List of Supporters and Support Letters
L. Engineering and Permit Documentation
M. Opportunity360 Measurement Report for Census Tract: 6 July 2021- Also Attached to Application in Grants.gov

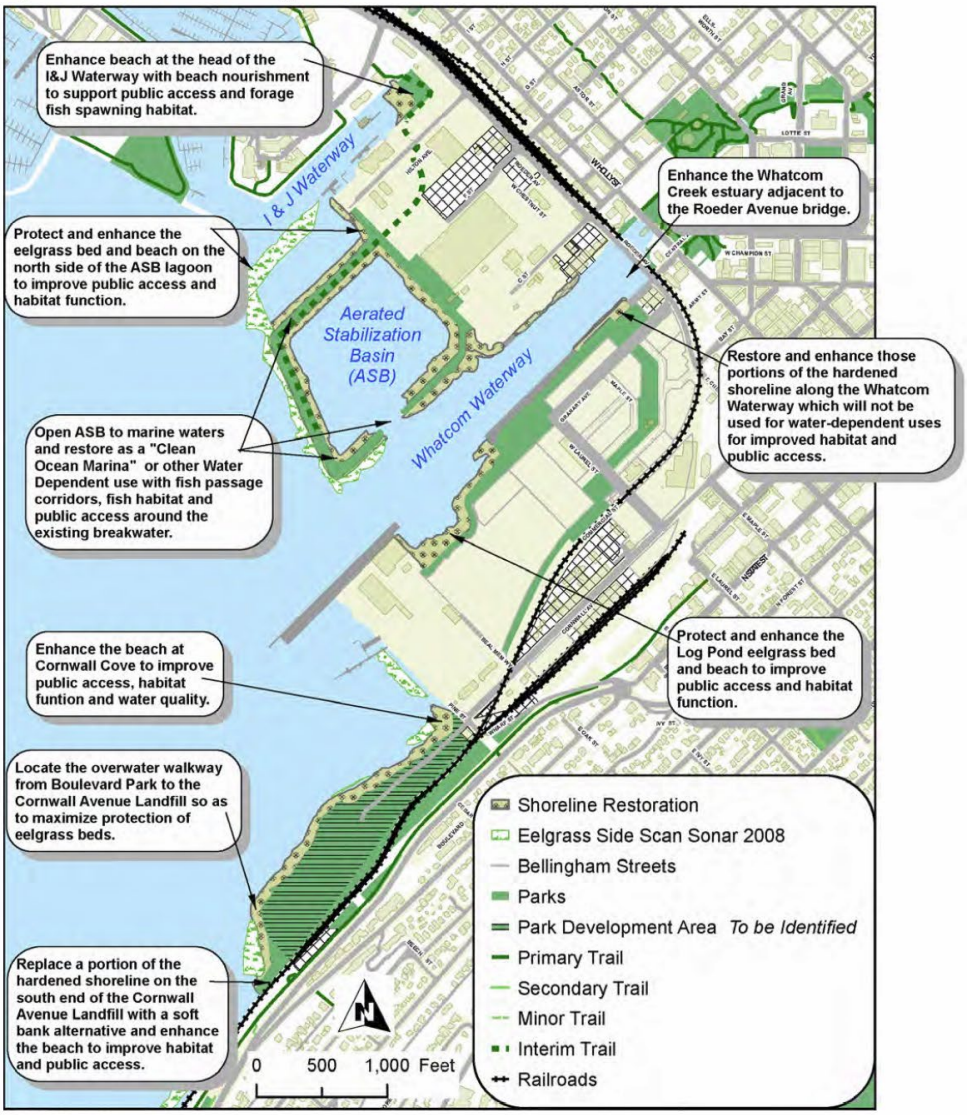
Appendix C: Truck Routes



Appendix D: List of Six Clean-up Site within the Waterfront District

There are six state-listed cleanup sites within the Waterfront District. These sites include contaminants at levels exceeding state standards in the soil, surface water, ground water and sediments caused by historic industrial activities. The upland sites were originally tide flats and sub-tidal areas in Bellingham Bay that were filled in, beginning in the mid 1800's, to support industrial activities.	
Site	**Description**
Cornwall Avenue Landfill	This site was used to support a variety of industrial activities from the late 1800's to 2004 including sawmill operations, a garbage dump, and pulp and paper mill product storage. The site is primarily contaminated with heavy metals, petroleum compounds, and solid waste caused by use of this property from 1953-1965 as a municipal landfill. The Port acquired this property in 2005 and transferred it to the City in 2012. The Port is currently managing the development of cleanup options, under Ecology oversight, which protect human health and the environment based upon a large waterfront park and mixed-use redevelopment along the bluff.
R.G. Haley	This site was used for a variety of industrial activities from the mid 1800's to late 1900's including lumber, coal and wharf operations. The site is primarily contaminated with petroleum compounds caused by wood treatment operations performed by R.G. Haley and other companies from 1951 to 1986. The City acquired this property in 2010 and is developing cleanup options, under Ecology oversight, which protect human health and the environment based upon mixed-use redevelopment.
Georgia Pacific West	This site was used to manufacture paper products from 1925-2007. The site is primarily contaminated with petroleum compounds, mercury, metals, and caustic caused by pulp, paper and chemical manufacturing operations performed by GP from 1963-1999. The Port acquired this property in 2005 and is developing cleanup options for the Chlor-Alkali Remedial Action Unit (RAU), under Ecology oversight, which protect human health and the environment based upon a combination of industrial and mixed-use redevelopment. The Port completed the cleanup of the Pulp/Tissue Mill RAU in 2016. Property redevelopment activities must maintain the integrity of the cleanup action by complying with the institutional controls in place for the site.
Whatcom Waterway	This site, located within the waters of Bellingham Bay including the Aerated Stabilization Basin, is primarily impacted by mercury contamination discharged from GP's former chemical plant from 1965-1979. The Port is implementing Ecology's selected cleanup action which protects human health and the environment based upon habitat restoration, a new marina, visitor moorage, marine trades and public access along the shoreline.
Central Waterfront	This site was used to support a variety of industrial activities from the early 1900's to the present, including a municipal and wood waste landfill, boat yards, foundry activity, petroleum storage, and pulp and paper mill product storage. The site is primarily contaminated with heavy metals, petroleum compounds, and solid waste caused by a range of historic industrial activities. The Port and City acquired most of the privately-owned portions of this site in 2005 and 2006 and are developing cleanup option plans under Ecology oversight which protect human health and the environment based upon industrial mixed-use redevelopment.
I&J Waterway	This site, located within the waters of Bellingham Bay, has been used since the early 1900's to support a variety of industrial activities including lumber mills, a rock crushing plant, frozen foods processing, and a seafood processing facility. The site is primarily contaminated with metals and phthalates caused by a range of historic industrial activities. The Port is developing cleanup options under Ecology oversight which protect human health and the environment based upon mixed-use redevelopment of the surrounding uplands and ongoing light industrial navigation requirements in the I&J Waterway.

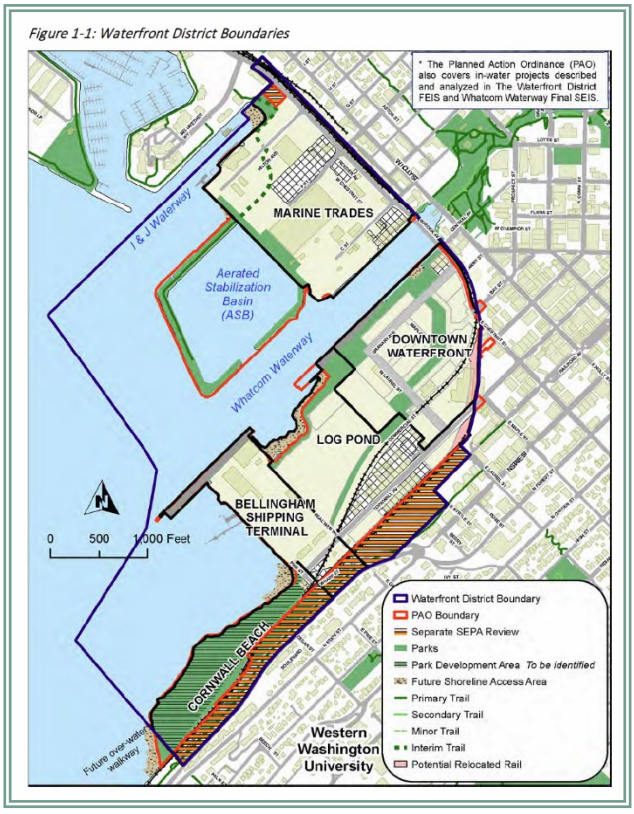
Figure 3-2: Habitat Restoration Opportunities



The Whatcom Waterfront District Sub-Area Plan, which includes the BST Facility, has undergone multiple public reviews and comment periods over the last 15 plus years.

An extensive planning effort was conducted by the Waterfront Futures Group (WFG) in 2003/2004. The Port and City appointed this citizen-led task force to take a fresh and independent look at the future of the entire waterfront in response to the closure of Georgia-Pacific's (GP) pulp and tissue operations. The WFG held 41 public meetings and had 26 guest forums and special events focusing on the waterfront's future. The WFG completed the community visioning process by publishing the Waterfront Vision and Framework Plan which called for 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."

Waterfront District Boundaries



After closing the pulp mill in 2001, GP explored options to fund the required environmental clean-up and market the property for private development, but the cost of clean-up and the required infrastructure investment made it difficult to attract private investors. During this period, the Port studied the potential acquisition of the GP property to determine if public ownership was viable. The Port purchased the GP property in 2005 after extensive community outreach and partnership commitments from the City and the Washington State Department of Ecology to make the long-term public investments necessary to implement the community's vision on the central waterfront. The Port committed to pay for most of the environmental cleanup, to build marine infrastructure, and to dedicate land for parks, public space and rights of way. The City agreed to build new streets and utilities to serve the site, to develop waterfront parks and trails, and to create a regulatory environment that would attract private investment. The Department of Ecology pledged grant support for environmental cleanup costs.

Since acquiring the GP property, the Port and City have secured significant state and federal grant support and have spent a considerable amount of money on environmental cleanup, habitat restoration, infrastructure design and construction of roads, utilities and public access. These public investments are intended to attract substantial private sector investment and generate long-term positive impacts for the community.

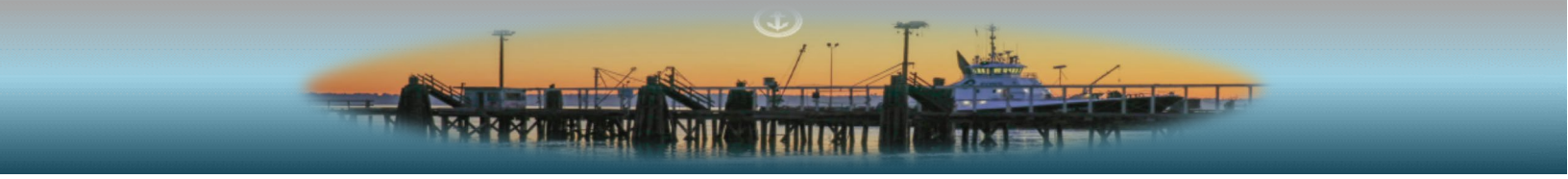
The Port and City launched a public planning process to develop a Sub-Area Plan for the Waterfront District shortly after acquiring the GP property. To ensure this plan was consistent with

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 2005-2010, this citizen-led task force held regular public meetings to gather public input and ensure public awareness and participation in waterfront planning.

During these meetings and workshops, 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 Draft Environmental Impact Statement (DEIS) and subsequent Addendums, Final EIS, and Supplemental EIS evaluated alternate street layouts, densities, and other mitigating measures to address traffic, view corridors, historic and cultural resources, critical areas, and a range of other important considerations. During this process, the public provided input on the Waterfront District's character-defining features, view corridors and vistas, preferred land uses, building heights, and design standards. The community discussed the role of Western Washington University (WWU) and its plans to create a campus on the waterfront, multimodal circulation, development character, environmental considerations, parks, trails, plazas, economic viability, block sizes, parking strategies, development phasing, historic and cultural resources, and sustainable strategies.

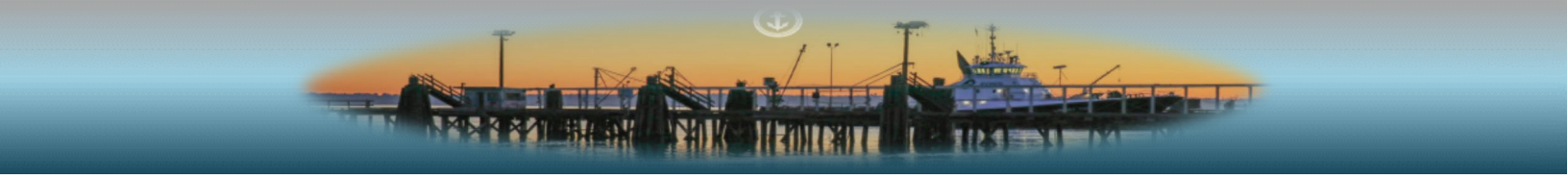
The 2018 amendment to the Waterfront District Sub-Area Plan was prepared after a series of additional public meetings and public input opportunities, additional SEPA analysis, and included additional public input during the Planning Commission and City Council review process.



Appendix F: Port of Bellingham Grant Administration History 2009 - 2023

Summary by Year	
Row Labels	Sum of Amount
⊟ Airport Improvement Program	71,821,396
2009	4,070,346
2010	29,355,245
2011	2,076,400
2012	3,403,703
2013	625,434
2014	616,170
2015	5,215,551
2016	1,877,868
2017	217,202
2018	382,593
2019	213,559
2020	6,102,473
2021	5,545,310
2022	4,197,993
2023	7,921,549
⊟ Clean Vessel Act	18,380.00
2021	18,380.00
⊟ COVID-19 Airport Improvement Program	2,774,843.27
2021	2,774,843.27
⊟ COVID-19 Coronavirus Relief Fund	560,355.10
2020	560,355.10
⊟ COVID-19 Economic Adjustment Assistance	131,277.00
2020	1,246.00
2021	130,031.00
⊟ Disaster Grants	37,706.15
2016	3,882.00
2017	20,816.00
2019	12,305.00
2020	703.15
⊟ Disaster Grants - Public Assistance	46,292.00
2009	46,292.00
⊟ Economic Adjustment Assistance	2,117,214.19
2012	190,310.00
2013	195,529.00
2014	202,254.00
2015	205,815.00
2016	209,944.00
2017	212,866.00
2018	217,556.00
2019	223,979.00
2020	226,616.00
2021	232,345.19
⊟ Economic Development Initiatives	477,004.00
2009	460,500.00
2010	16,504.00
⊟ Highway Planning & Construction	105,697.00
2018	5,346.00
2019	100,351.00
⊟ Highway Planning and Construction	244,302.25
2020	227,569.41
2021	16,732.84
⊟ Homeland Security Program	7,211.00
2011	7,211.00
⊟ Manufacturing Extension Partnership	28,800.00
2020	14,400.00
2021	14,400.00
⊟ Rural Energy for America Program (REAP)	53,349.79
2021	17,043.24
2022	30,069.80
2023	6,236.75
Grand Total	**78,423,827.75**

Summary by Grant Name	
Row Labels	Sum of Amount
Airport Improvement Program	71,821,396
Clean Vessel Act	18,380
COVID-19 Airport Improvement Program	2,774,843
COVID-19 Coronavirus Relief Fund	560,355
COVID-19 Economic Adjustment Assistance	131,277
Disaster Grants	37,706
Disaster Grants - Public Assistance	46,292
Economic Adjustment Assistance	2,117,214
Economic Development Initiatives	477,004
Highway Planning & Construction	105,697
Highway Planning and Construction	244,302
Homeland Security Program	7,211
Manufacturing Extension Partnership	28,800
Rural Energy for America Program (REAP)	53,350
Grand Total	**78,423,828**



PORT OF BELLINGHAM
Washington State

May 12, 2020

Port of Bellingham
Bellingham Shipping Terminal

RE: 2019 Cargo Shipment Summary

Below is a summary of cargoes loaded onto domestic barges at the Bellingham Shipping Terminal in 2019. The primary commodities were Hardwood Logs and Bulk Rock. It is broken down by commodity and includes cargo volumes per shipment, Port tenant and end customer.

1. Hardwood Logs – Shipped by GrandCamp International LLC to Port Angeles Hardwood:
   a. Jan. 3, 2019 130.84 MBF
   b. Jan. 17, 2019 122.67 MBF
   c. Jan. 22, 2019 25.01 MBF
   TOTAL 278.52 MBF

2. Bulk Rock – Shipped by JE McAmis Co. to Army Corps of Engineers:
   a. May 5, 2019 4,653.85 MT
   b. May 12, 2019 4,797.19 MT
   c. May 19, 2019 4,653.85 MT
   d. May 26, 2019 4,645.69 MT
   e. June 2, 2019 4,603.05 MT
   f. June 9, 2019 4,603.05 MT
   g. June 16, 2019 4,550.43 MT
   h. June 22, 2019 1,969.79 MT
   i. Aug. 11, 2019 4,550.43 MT
   j. Aug. 18, 2019 4,407.10 MT
   k. Aug. 25, 2019 4,135.01 MT
   l. Sept. 8, 2019 4,327.41 MT
   m. Sept. 27, 2019 4,176.58 MT
   TOTAL 56,073.43 MT

NOTE: The barge volumes reported above are basis barge inbound/outbound draft reports.

David L. Warter
Marine Terminals & Emergency Services Manager
Port of Bellingham

PORT OF BELLINGHAM
Washington State

July 21, 2021

Port of Bellingham
Bellingham Shipping Terminal

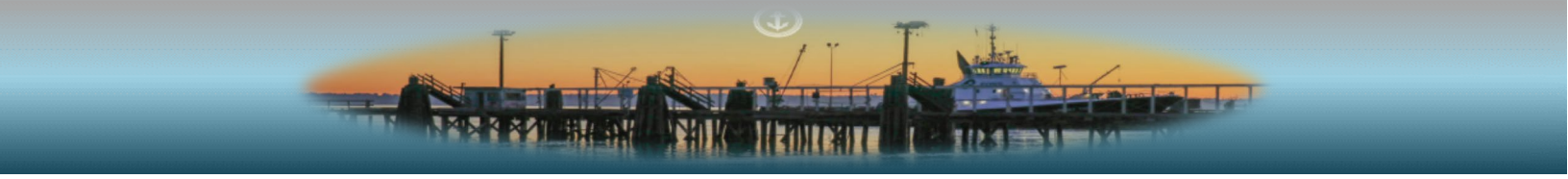
RE: 2020 Cargo Shipment Summary

Below is a summary of cargo loaded onto domestic barges at the Bellingham Shipping Terminal in 2020.
The primary commodity was bulk armour rock. Information provided below is by cargo volume per Metric Ton (MT) per shipment, Port tenant and end customer.

1. Bulk Rock – Shipped by JE McAmis Co. to Army Corps of Engineers:
    a. Aug. 5, 2020 4,693.77 MT
    b. Aug. 17, 2020 4,741.85 MT
    c. Aug. 24, 2020 3,836.48 MT
    d. Aug. 31, 2020 4,645.69 MT
    - TOTAL 17,917.79 MT

Note: The barge volumes reported above are basis barge inbound/outbound draft reports.

David L. Warter
Marine Terminals & Emergency Services Manager
Port of Bellingham



PORT OF BELLINGHAM
Washington State

March 25, 2022

Port of Bellingham
Bellingham Shipping Terminal

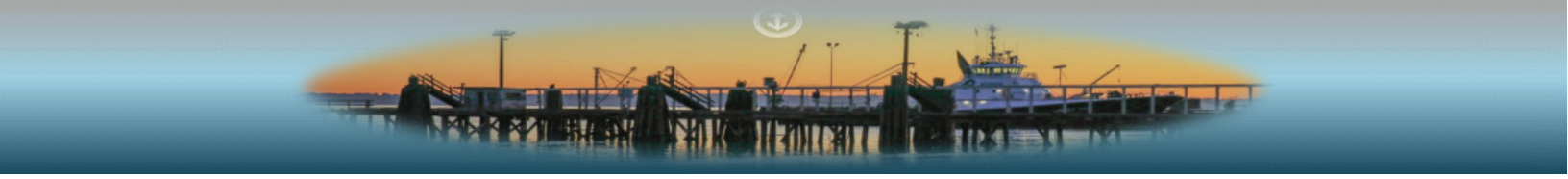
RE: 2021 Cargo Shipment Summary

Below is a summary of cargo loaded onto domestic barges at the Bellingham Shipping Terminals in 2021. The primary commodity was bulk armor rock. Information provided below is by cargo volume per Metric Ton (MT) per shipment, Port tenant and end customer

1. Bulk Rock – Shipped by JE McAmis Co. to the Army Corps of Engineers:
    a. June 4, 2021 4,216.59 MT
    b. June 18, 2021 4,464.25 MT
    c. July 2, 2021 4,638.43 MT
    d. July 17, 2021 4,271.02 MT
    e. July 22, 2021 4,645.69 MT
    f. July 25, 2021 4,020.64 MT
    g. Aug. 3, 2021 4,136.76 MT
    h. Aug. 19, 2021 4,861.98 MT
    i. Sept. 11, 2021 4,704.65 MT
    TOTAL 39,960.01 MT

Note: The barge volumes reported above are basis barge inbound/outbound draft reports.

David L. Warter
Marine Terminals & Emergency Services Manager
Port of Bellingham



PORT OF BELLINGHAM
Washington State

Feb 23, 2024

Port of Bellingham
Bellingham Shipping Terminal

RE: 2022 Cargo Shipment Summary

Below is a summary of cargo loaded onto domestic barges and cargo vessels at the Bellingham Shipping Terminal in 2022.

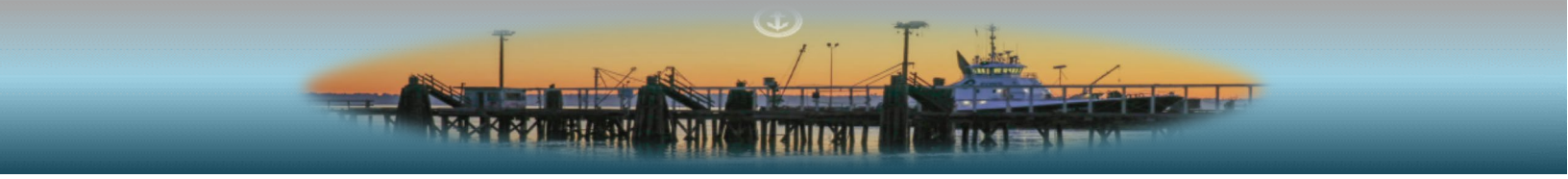
The primary commodities were bulk armor rock and scrap metal for recycling. Information provided below is by cargo volume per Metric Ton (MT) per shipment, Port tenant and end customer.

1. Bulk Rock – Shipped by JE McAmis Co. to Army Corps of Engineers:
   34,359 MT
2. Bulk Scrap Metal – Shipping by ABC recycling to Asia
   22,740 MT

Note: The barge and ship volumes reported above are basis barge inbound/outbound draft reports.

Best Regards,

Matthew Cress
Business Development
Port of Bellingham



PORT OF BELLINGHAM
Washington State

Feb 23, 2024

Port of Bellingham
Bellingham Shipping Terminal

RE: 2023 Cargo Shipment Summary
Below is a summary of cargo loaded onto domestic barges and cargo vessels at the Bellingham Shipping Terminal in 2023.

The primary commodities were bulk armor rock and scrap metal for recycling. Information provided below is by cargo volume per Metric Ton (MT) per shipment, Port tenant and end customer.

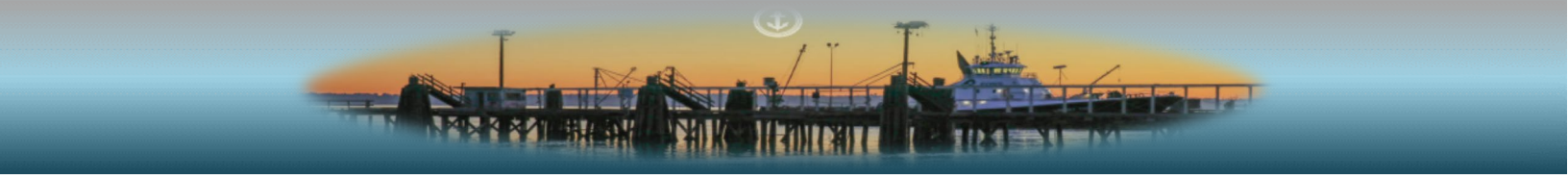
1. Bulk Rock – Shipped by JE McAmis Co. to Army Corps of Engineers:
44,737.84 MT

2. Bulk Scrap Metal – Shipping by ABC recycling to Asia
81,002.16 MT

Note: The barge and ship volumes reported above are basis barge inbound/outbound draft reports.

Best Regards,

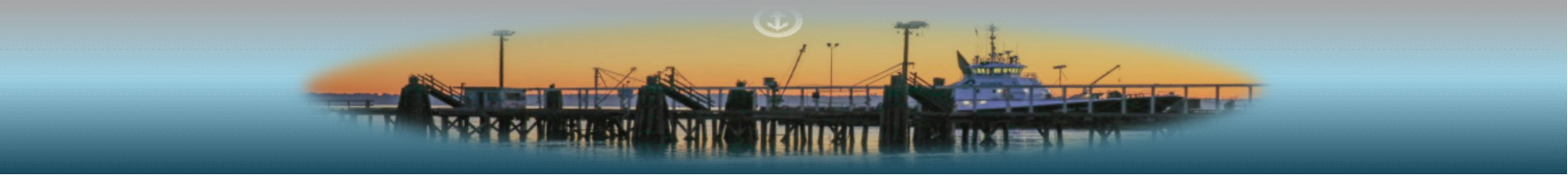
Matthew Cress
Business Development
Port of Bellingham



Appendix H: Cargo Activity Summaries -continued

USACE 5 year Cargo Tonnage Report (CY19-CY17) – Port of Bellingham

		All Traffic I				
Code	Commodity	CY2021	CY2020	CY2019	CY2018	CY2017
0	All Commodities	54171	63790	23087	66348	37895
2340	Residual Fuel Oil	0	2999	0	371	228
3275	Inorg. Elem., Oxides, &	218	0	0	0	0
3285	Perfumes & Cleansers	23	0	0	0	0
3286	Plastics	61	0	0	3	0
3292	Starches, Gluten, Glue	22	0	0	0	0
4170	Wood in the Rough	0	0	0	33564	0
4189	Lumber	212	0	0	0	0
4190	Forest Products NEC	0	0	0	0	716
4225	Pulp & Waste Paper	312	0	0	0	0
4310	Building Stone	25	336	0	0	0
4322	Limestone	3858	7716	4189	4189	0
4323	Gypsum	0	0	4189	3858	0
4331	Sand & Gravel	5445	30195	0	0	0
5190	Paper Products NEC	145	0	0	0	0
5220	Cement & Concrete	0	3858	0	0	0
5240	Glass & Glass Prod.	2	0	0	0	0
5290	Misc. Mineral Prod.	1326	0	0	231	411
5480	Fab. Metal Products	21	0	0	0	0
5540	Primary Wood Prod.	617	0	0	0	0
6134	Fish (Not Shellfish)	24619	13806	12583	23586	26092
6136	Shellfish	913	0	0	0	0
6590	Oilseeds NEC	0	0	0	0	4079
6653	Vegetable Oils	51	0	0	0	0
6654	Vegetables & Prod.	421	0	0	0	0
6746	Wheat Flour	0	0	0	358	0
6782	Animal Feed, Prep.	0	0	794	0	0
6811	Meat, Fresh, Frozen	4494	0	0	0	0
6835	Fish, Prepared	26	4836	0	0	0
6856	Bananas & Plantains	296	0	0	0	0
6857	Fruit & Nuts NEC	1104	0	0	0	0
6858	Fruit Juices	716	0	0	0	0
6861	Sugar	0	0	471	0	0
6871	Coffee	944	0	0	0	0
6885	Alcoholic Beverages	371	0	0	0	0
6888	Water & Ice	317	0	0	0	0
6889	Food Products NEC	12	0	0	0	0
6899	Farm Products NEC	32	0	0	0	0
7110	Machinery (Not Elec)	176	0	0	0	0
7120	Electrical Machinery	14	0	0	0	0
7210	Vehicles & Parts	626	0	0	0	0
7230	Ships & Boats	0	0	0	0	1
7400	Manufac. Wood Prod.	406	0	0	0	0
7500	Textile Products	5560	0	229	0	0
7600	Rubber & Plastic Pr.	141	0	0	0	75
7900	Manufac. Prod. NEC	619	44	0	0	89
9900	Unknown or NEC	26	0	632	188	6204



Appendix I: 2023 Cost Estimate for Rail Connection to BST Improvements Summary

PORT OF BELLINGHAM
ROUGH ORDER MAGNITUDE (ROM) 23-746
ESTIMATE SHEET (+/- 30%)

Project Title:	Rail Connection to BST	**Date:**	12/26/2023	**Versions:**	1
Project Funding:	Grant	**By:**	Strand	**Check:**	Chapman
Project Sponsor:	Cress	**Address:**	661 Cornwall Avenue, Bellingham, WA		
Location:	ST				
Urgency:					

Scope:

The scope generally consists of estimating both the cost to design and to construct a conceptual layout of new Rail road sidings and spurs that may serve existing and future tenants operations and restore rail potential at the Bellingham Shipping Terminal. Development of the ROM will assist in ongoing discussion with BNSF and other stakeholders.
The detail of the design was paid for through a Professional Services Contract (PSA) with the Civil Engineering Co. Freeland and Associates, and the detail was approved by representatives of BNSF. No further scoping or design modifications have been considered in the development of this updated ROM. A factor of roughly 7% plus rounding up has been added to each bid item from the original design to account for a 1 year cost adjustment. Also Construction Management and Engineering Design of grant funded projects can get more complicated and so the percentages of those items have been increased from the original estimate also.

Item #	Description	QTY	Unit	Unit Cost	Total
1	Mobilization	10%	of	$ 6,997,230.00	699,723.00
2	Direct Construction Cost	1	LS	4,910,230.00	4,910,230.00
3	Auto Switch (5)	1	LS	375,000.00	375,000.00
4	Fuel Surcharge	1	LS	160,500.00	160,500.00
5	BNSF Work	1	LS	856,000.00	856,000.00
6	Subgrade	1	LS	$ 695,500.00	695,500.00

Direct Costs

Sub-Total Construction		7,696,953
Contractor OH & P	**22%**	1,693,330
Tax	**8.8%**	826,345
Total Construction		**10,216,628**

In-Direct Costs

Engineering Design (Admin., Engineering, Survey, & Work Orders)	**15%**	1,532,494
Permitting	**5%**	510,831
Construction Management	**15%**	1,532,494
Total Design		**3,575,820**
Sub-Total Design / Construction		13,792,447
Contingencies	***30%***	*4,137,734*
	GRAND TOTAL - ROUNDED ($)	**17,931,000**

PORT OF BELLINGHAM
Washington State

RAISE Program
FY 24 Grant Application

V. Project Readiness

Restoring Resiliency

Bellingham Shipping Terminal

Rail Connection Project

UEI: NRYGMRVUBJA6
February 2024

Project Website: https://www.portofbellingham.com/980/Grants

Contact information:

Matthew Cress
Business Development Director
Port of Bellingham
Cell 510-219-0404
mcress@portofbellingham.com

V. Project Readiness

A. Project Schedule

This schedule assumes the Environmental Review is at the Categorical Exemption level. If USDOT determines that the Environmental Review will be more extensive, in that case, additional time can be added to the schedule to complete the required NEPA reviews and meet the administrative requirements for obligation by June 30, 2028, and completion of obligation by September 30, 2028. Any unexpected delays will not put the funds at risk of expiring before they are obligated. Ideally we would begin in 2026 to capture forecasted business opportunities.

Exhibit 1: Project Schedule

	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																								

B. Environmental Risk Assessment

i. Required Approvals

A. Information about NEPA status of the Project

The Project is currently in the redesign state, with consultation from BNSF. We have an approved 3 track full design from BSNF that was designed for containerized business a year ago. The redesign is the same amount of track length with recommendations from BNSF to make 5 shorter tracks, taking up less terminal space but effectively supporting auto, bulk and general cargoes. The Cost Estimate was prepared in December 2023, by Freeland and Associates, with the details and track approved by BNSF. The ROM was updated for inflation by one year by our Engineering Team at the Port of Bellingham.

As detailed below (in the VII.1. c.1. iv.), based upon the Port's evaluation of the Maritime Administration Manual of Orders MAO-600-1, the Port anticipates that the Project will qualify for a Categorical Exclusion (CE). The Port recognizes that MARAD does not currently have the authority to issues CE for rail related project. We are using the MARAD MAO as guidance and will work with either MARAD or FRA when the Project is awarded to ensure NEPA review is completed in a timely manner.

The Port already has State and local approvals and an Army Corp of Engineering NWP #3 maintenance permit for BST and recognizes that additional permiting will be required for the Rail Connection Project. A Waterfront District Sub-Area Plan was initiated in 2005, a FEIS published in 2010, updated in the 2012 Amendment, and amended again in 2018. The Waterfront District 2018 Sub-Area Plan Project- Final EIS Addendum was approved in February 2019. As a result,

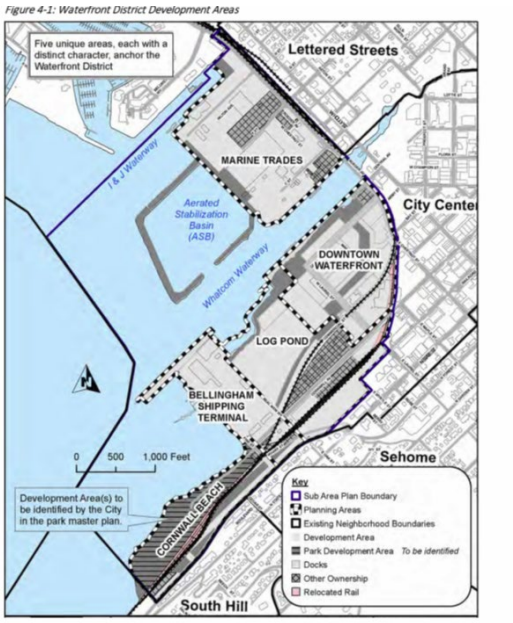
the Port believes that the required environmental analysis is complete and ready for MARAD's assessment. Once funds are awarded to the Project, the Port will complete all necessary activities to obtain obligation promptly.

Since January 2005, the Port of Bellingham (Port) and the City of Bellingham (City) have been analyzing long-term redevelopment opportunities for the Waterfront District (also known as the "New Whatcom Special Development Area"). The 2018 Waterfront District Sub-Area Plan of the City was reviewed under the State Environmental Policy Act (SEPA).

The City and the Port are agencies with jurisdiction for the proposed 2018 Waterfront District Sub-Area Plan Project. The Port has been designated by the City as the SEPA lead agency for the Proposed Actions associated with the Waterfront District under interlocal agreements.

On December 19, 2018, a Determination of Significance (DS), Notice of Adoption of Environmental Documents, Notice of Issuance of EIS Addendum, and EIS Addendum were issued for public comment in connection with the Port and City's proposed changes to the City's Waterfront District Sub-Area Plan and the Port's revisions to its Comprehensive Scheme of Harbor Improvements, under the Port's adopted SEPA Procedures. In addition, copies of the DS, Notice of Adoption of Environmental Documents, Notice of Issuance of EIS Addendum, and Draft EIS were distributed to agencies, organizations, and individuals.

Exhibit 2: Waterfront District Development Area



The Draft EIS Addendum was subject to a thirty (30) day comment period. The public comment period ended on January 18, 2019, with no responses received. The Final EIS Addendum was approved after Port Resolution 1380, "District Guidelines of Compliance with the Provisions and Requirements of the State Environmental Policy Act," was followed.

Per state policy, no further SEPA- related review is necessary. The Final EIS can be found on the Port's website.

The Port discussed the specifics of the Project with the MARAD NEPA Coordinator on August 22, 2019. The coordinator suggested a path forward for preparing the Project for the MARAD NEPA review post-award. This review reaffirmed that a Categorical Exclusion (CE) might apply to this Project based upon Maritime Administration Order # 600-1, Appendix 1 issued July 23. 1985 (outlined the criteria for the potential issuance of a CE).

B. Information on reviews, approvals and permits by other agencies.

The Port has not moved forward with permitting this Project at this time as we are still in discussions with BNSF on the configuration of the Project to ensure that the rail at BST is efficient as well as the connection to the mainline is designed and built to meet BNSF and industry standards as to ensure that the rail traffic moving on the adjacent I-5 Corridor mainline is not unduly disrupted by the addition of this connection to the Port.

C. 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.

D. Description of discussion with the appropriate DOT operating administration field or headquarters office.

Port of Bellingham staff met the MARAD Gateway Director, Pacific Northwest & Alaska, in Bellingham on September 24, 2021, to discuss and review these projects. The Gateway Director stated they were "all good projects" and realistic in size and scope. Since this meeting, the Port of Bellingham staff has updated the Gateway Director on the progress of the plans. In addition, Port of Bellingham staff met MARAD staff in San Diego on October 27, 2021, where Port staff discussed the Port's commitment to the Project was discussed. The Port will be updating the current Gateway Director on this Project as soon as possible based on availability of schedules.

E. If applicable, right-of-way acquisition plans – N/A

F. A description of public engagement

The Whatcom Waterfront District Sub-Area Plan, which includes the BST Facility, has undergone multiple public reviews and comment periods over the last 15 years. The details of this public involvement process can be found in Appendix D.

During these meetings and workshops, the community evaluated various design alternatives that illustrated how infrastructure, development, public parks and trails, and new habitat might take shape on the waterfront.

Exhibit 3: Waterfront District Boundaries

The Draft Environmental Impact Statement (DEIS) and subsequent Addendums, Final EIS, and Supplemental EIS evaluated alternate street layouts, densities, and other mitigating measures to address traffic, view corridors, historic and cultural resources, critical areas and a range of other essential considerations.

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

2. State and Local Approvals

a) Receipt or schedule of receipt of Tribal government, State and local approvals

The ground has been previously disturbed and there are no buildings remaining on the property. Thus, it is not anticipated that there will be any finding during the Cultural Resource review. No state or local approvals requirements are anticipated except for local building permits.

A. Federal Transportation Requirements Affecting State and Local Planning

This Project is consistent with the State Freight Plan and other plans listed above in item iii. Environmental Studies or other documents

3. Assessment of Project Readiness and Mitigation Strategies

Completing the initial design layout demonstrates the technical feasibility of the Rail Connection. The Statement of Work of the Rail Connection is described in **Section I. Project Description**.

Exhibit 4: Risk Matrix

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	Preliminary design developed to meet current marine terminal and railroad standards and to address climate change predictions	Low
Partner Approvals	Schedule	Preliminary design developed with input from the unions and customers	Low
Local Jurisdiction Approvals	Schedule	Although Approvals / permits for the Rail Connection Project have not been submitted at this point from City Past history of multi-agency cooperation and collaboration is anticipated to enable to City's permit to be received in a timely manner.	Low
Environmental Approvals	Cost, schedule	The Port anticipates that all permits will be processed and received promptly. It is understood that upon award, the Port with work with the assigned Federal Agency to complete the NEPA analysis. Based on the information reviewed to date, a Categorical Exemption is anticipated. However, if a higher level of Environmental Review is required, the schedule is flexible enough to achieve this by the Sept 30, 2028 obligation deadline.	Low / Medium
Funding	Cost, schedule	The Port needs external funding to support this regional Project. The Project will be delayed until funding becomes available if a Federal grant is not awarded. The Port has the required match funds identified in its financial plans.	Medium
Public and Stakeholder Support	Cost, schedule	Extensive public involvement effort was made as part of the Port's planning and budgeting processes.	Low
ROW	Cost, schedule	N/A.	None
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 percent contingency has been included in the Total Project cost estimate.	Low / Medium
Construction	Cost of Steel and other components	Current tariffs may put extra pressure on American component prices	Medium

Potential Risk Area	Risk Type	Current Status/ Proposed Mitigation	Risk Level
Grant Management	Compliance	Grant Management will be administered by the Port of 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. See Appendix F for the detailed list of grants.	Low
Domestic Preference	Compliance	The Port has discussed the procurement of materials and manufactured products for the Project with vendors and other PNW ports and believes, based upon these conversations, that all needed components can be procured domestically as all parts appear produced and or manufactured in the U.S.	Low

C. Technical Capacity

The Port has experience with implementing capital projects, the administration and implementation of Federal Grants. The Port has an internal engineering and environmental staff and consulting engineers that will work together to prepare the components for bid and construction. In addition, 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. Since 2009, the Port has received and administered over $78 million in grants from many agencies. Port Staff is very familiar with Federal contract and procurement requirements, including Buy America, Americans with Disabilities Act, Davis Bacon Act, etc. See Appendix F for a detailed list of the grants.

Under the Port's Equity in vendor procurement strategy Port policies include:

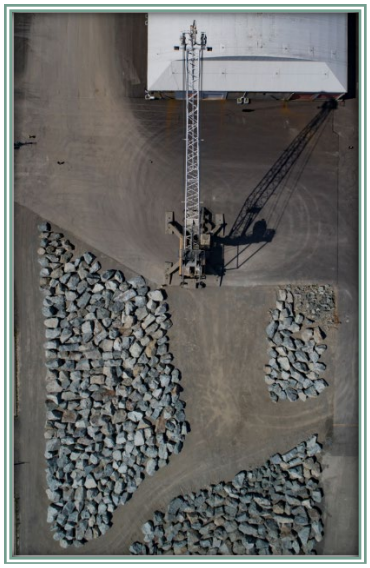
- Formal procurement and purchasing guidelines
- Port is OMWB compliant in the process (Office of Minority and Woman Owned Business)
- Port is Washington State DOT approved Title VI Plan

D. Financial Completeness

This Project is in a **rural area**, so meets the criteria for requesting 100 percent grant funding from the RAISE FY24 Grant Program. The Project Budget in this application identifies this request for full federal funding as is permitted under this NOFO. The Project Budget includes a 30 percent contingency to account for unforeseen costs and inflationary pressures. If a cost overrun occurred, the Port would use Port capital reserves. The estimate is dated December 2023.

Appendix

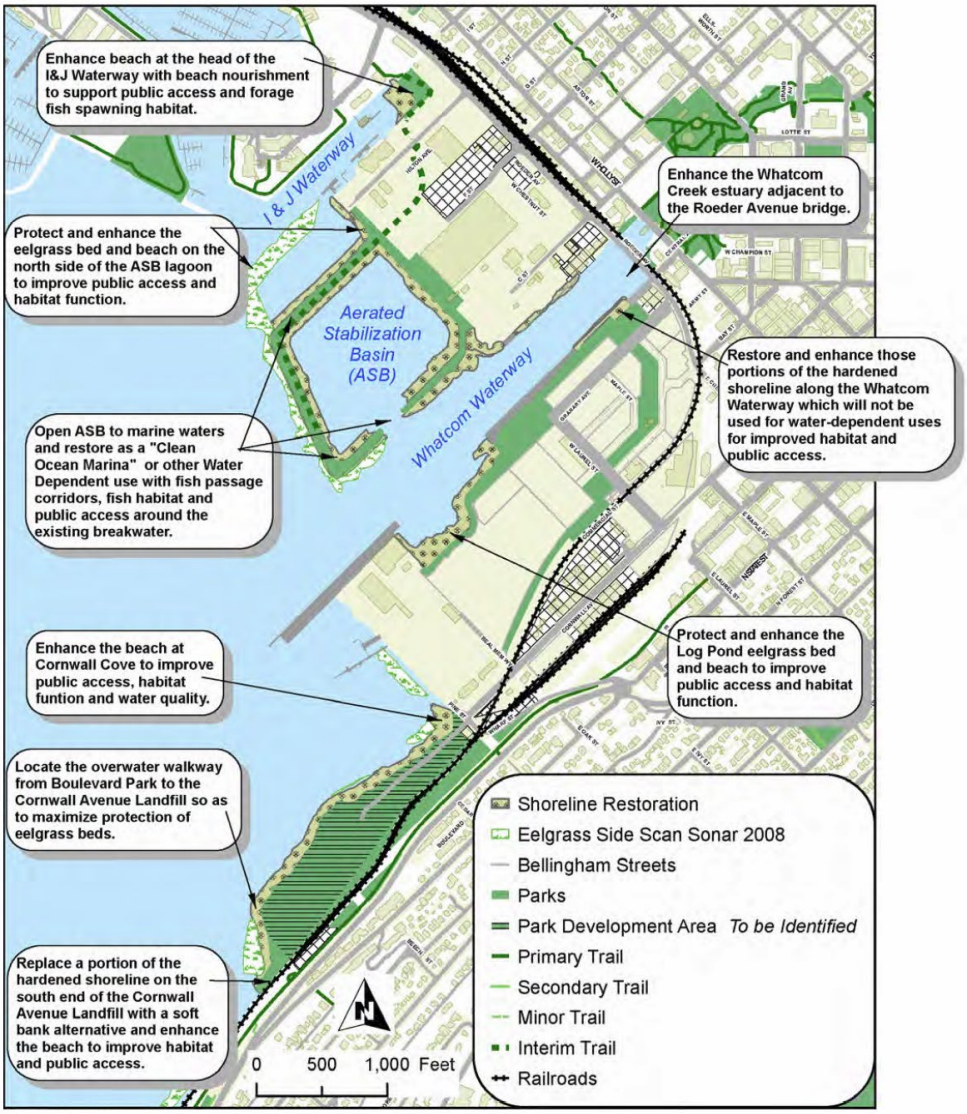
D. List and Map of Cleanup Sites
E. Public Involvement Process
F. Port of Bellingham Grant History 2009-2023
G. Selection of Port of Bellingham for Quarry Rock movement.
H. Cargo Activity Summaries 2019, 2020, 2021, 2022 and 2023
I. Engineering Cost Estimate for Rail Connection to BST



Appendix D: List of Six Clean-up Sites within the Waterfront District

There are six state-listed cleanup sites within the Waterfront District. These sites include contaminants at levels exceeding state standards in the soil, surface water, ground water and sediments caused by historic industrial activities. The upland sites were originally tide flats and sub-tidal areas in Bellingham Bay that were filled in, beginning in the mid 1800's, to support industrial activities.	
Site	**Description**
Cornwall Avenue Landfill	This site was used to support a variety of industrial activities from the late 1800's to 2004 including sawmill operations, a garbage dump, and pulp and paper mill product storage. The site is primarily contaminated with heavy metals, petroleum compounds, and solid waste caused by use of this property from 1953-1965 as a municipal landfill. The Port acquired this property in 2005 and transferred it to the City in 2012. The Port is currently managing the development of cleanup options, under Ecology oversight, which protect human health and the environment based upon a large waterfront park and mixed-use redevelopment along the bluff.
R.G. Haley	This site was used for a variety of industrial activities from the mid 1800's to late 1900's including lumber, coal and wharf operations. The site is primarily contaminated with petroleum compounds caused by wood treatment operations performed by R.G. Haley and other companies from 1951 to 1986. The City acquired this property in 2010 and is developing cleanup options, under Ecology oversight, which protect human health and the environment based upon mixed-use redevelopment.
Georgia Pacific West	This site was used to manufacture paper products from 1925-2007. The site is primarily contaminated with petroleum compounds, mercury, metals, and caustic caused by pulp, paper and chemical manufacturing operations performed by GP from 1963-1999. The Port acquired this property in 2005 and is developing cleanup options for the Chlor-Alkali Remedial Action Unit (RAU), under Ecology oversight, which protect human health and the environment based upon a combination of industrial and mixed-use redevelopment. The Port completed the cleanup of the Pulp/Tissue Mill RAU in 2016. Property redevelopment activities must maintain the integrity of the cleanup action by complying with the institutional controls in place for the site.
Whatcom Waterway	This site, located within the waters of Bellingham Bay including the Aerated Stabilization Basin, is primarily impacted by mercury contamination discharged from GP's former chemical plant from 1965-1979. The Port is implementing Ecology's selected cleanup action which protects human health and the environment based upon habitat restoration, a new marina, visitor moorage, marine trades and public access along the shoreline.
Central Waterfront	This site was used to support a variety of industrial activities from the early 1900's to the present, including a municipal and wood waste landfill, boat yards, foundry activity, petroleum storage, and pulp and paper mill product storage. The site is primarily contaminated with heavy metals, petroleum compounds, and solid waste caused by a range of historic industrial activities. The Port and City acquired most of the privately-owned portions of this site in 2005 and 2006 and are developing cleanup option plans under Ecology oversight which protect human health and the environment based upon industrial mixed-use redevelopment.
I&J Waterway	This site, located within the waters of Bellingham Bay, has been used since the early 1900's to support a variety of industrial activities including lumber mills, a rock crushing plant, frozen foods processing, and a seafood processing facility. The site is primarily contaminated with metals and phthalates caused by a range of historic industrial activities. The Port is developing cleanup options under Ecology oversight which protect human health and the environment based upon mixed-use redevelopment of the surrounding uplands and ongoing light industrial navigation requirements in the I&J Waterway.

Figure 3-2: Habitat Restoration Opportunities

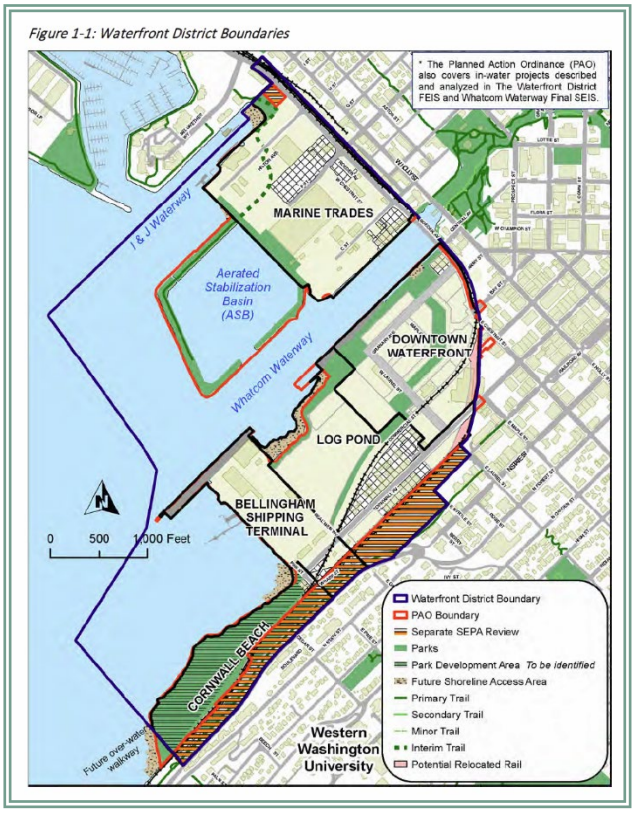


Appendix E: Public Involvement Activities

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.

An extensive planning effort was conducted by the Waterfront Futures Group (WFG) in 2003/2004. The Port and City appointed this citizen-led task force to take a fresh and independent look at the future of the entire waterfront in response to the closure of Georgia-Pacific's (GP) pulp and tissue operations. The WFG held 41 public meetings and had 26 guest forums and special events focusing on the waterfront's future. The WFG completed the community visioning process by publishing the Waterfront Vision and Framework Plan which called 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."

Waterfront District Boundaries



After closure of the pulp mill in 2001, GP explored options to fund the required environmental clean-up and market the property for private development, but the cost of clean-up and the required infrastructure investment made it difficult to attract private investors. During this period, the Port studied the potential acquisition of the GP property to determine if public ownership was viable. The Port purchased the GP property in 2005 after extensive community outreach and partnership commitments from the City and the Washington State Department of Ecology to make the long-term public investments necessary to implement the community's vision on the central waterfront. The Port committed to pay for most of the environmental cleanup, to build marine infrastructure, and to dedicate land for parks, public space and rights of way. The City agreed to build new streets and utilities to serve the site, to develop waterfront parks and trails, and to create a regulatory environment that would attract private investment. The Department of Ecology pledged grant support for environmental cleanup costs.

Since acquiring the GP property, the Port and City have secured significant state and federal grant support and have spent a considerable amount of money on environmental cleanup, habitat restoration, infrastructure design and construction of roads, utilities and public access. These public investments are intended to attract substantial private sector investment and generate long-term positive impacts for the community.

The Port and City launched a public planning process to develop a Sub-Area Plan for the Waterfront District 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 2005-2010, this citizen-led task force held regular public meetings to gather public input and ensure public awareness and participation in waterfront planning.

During these meetings and workshops, 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 Draft Environmental Impact Statement (DEIS) and subsequent Addendums, Final EIS, and Supplemental EIS evaluated alternate street layouts, densities, and other mitigating measures to address traffic, view corridors, historic and cultural resources, critical areas, and a range of other important considerations. During this process, the public provided input on the Waterfront District's character-defining features, view corridors and vistas, preferred land uses, building heights, and design standards. The community discussed the role of Western Washington University (WWU) and its plans to create a campus on the waterfront, multimodal circulation, development character, environmental considerations, parks, trails, plazas, economic viability, block sizes, parking strategies, development phasing, historic and cultural resources, and sustainable strategies.

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