Scope of Services

SCOPE OF SERVICES: Economic Evaluation of Regional Impacts for the proposed Gateway Pacific Terminal at Cherry Point

Public Financial Management, Inc. (PFM) will provide a comprehensive, independent evaluation of the economic effects of the proposed Gateway Pacific Terminal on King, Kitsap, Pierce and Snohomish counties. Building on our prior assessment of likely impacts of the proposed Terminal on the Whatcom County economy, PFM will assess both regional economic opportunities and risks created by the Terminal’s construction and operation.

The PFM team understands that the Puget Sound Regional Council (PSRC) is seeking a tool that can both assist and inform the public and decision-makers about the proposed Terminal. While budget and time do not allow for a full cost-benefit analysis of the project, we will be able to address the critical questions outlined in this scope of work and use that information to provide a guide to weighing the economic pros and cons of the project for the four county region. Moreover, the evaluation will provide sufficient information to allow us to identify steps that can be taken to mitigate identified risks to economic and community development.

PURPOSE

The PSRC is leading this study to inform regional leadership and the general public regarding the economic effects of a proposed bulk commodity terminal at Gateway Pacific in Whatcom County. In order to better inform the region’s elected officials and decision makers, the study will identify regional impacts for the four-county PSRC region of the proposed Gateway Pacific terminal at Cherry Point, and will evaluate the various ways these impacts will affect the regional economy. The study will inform regional leadership regarding a wide range of related economic issues resulting from the proposed project, including effects on the region’s transportation system, on current and future domestic and international trade, current and future land use, and environmental issues. The study will provide recommendations on specific infrastructure improvements, and policies that will help the region prepare for the identified impacts that the project proposal is expected to bring.

The analysis should incorporate existing related transportation and economic analyses where applicable for a more complete understanding of the potential economic impact of the proposed terminal, including any regional and statewide economic impact studies.

The study shall be conducted with targeted input of interested parties (in consultation with PSRC). The final study will incorporate effective visualization techniques, including but not limited to images, graphs, charts, and maps in a way that tells the story to regional leaders and the general public. The conclusions will be reported to the relevant boards and committees of the PSRC and be made widely available to the general public.

TASK DETAILS

Task 1. Background Report

Gateway Pacific project summary
Summarize the current project proposal and current available research, with an emphasis on the four-county PSRC region where available.

Regional rail profile
Tell the story of what the region’s current and future rail traffic looks like and the role that it currently plays in the region’s economy.
In what ways does the central Puget Sound depend on the region’s rail system for the current and future movement of people and goods?

What commodities are currently moving on the region’s freight rail system, and what likely changes may occur in the future?

How do imports and exports on the region’s freight rail system compare in terms of volume, commodity, and value?

What other coal terminal projects are being proposed or built in the Pacific Northwest region, including Canada? What impacts would these projects have on the region’s transportation system?

Are there other proposals for commodity shipments through the Pacific Northwest region, such as Bakken Oil from North Dakota and Montana? What are the potential effects on the region’s rail transportation system?

Task 2. Draft Background Report and Presentation to PSRC Executive Board

Task 3. Regional Impacts

Transportation System - Effects on the Regional Transportation System

What is the impact of an anticipated change in rail operations on surface movement of people and goods at grade crossings in the region? Are there other impacts throughout the regional transportation system?

How much travel delay will be experienced by people and goods at railroad crossings due to the project? Identify most highly affected at-grade crossings.

What would be the effect of increased commodity trains on existing and future freight and passenger rail? Which and where?

Domestic and International Trade - Effects on current and future trade throughout the regional freight and goods transportation system.

What will be the effect of the project proposal on regional employment in terms of direct and indirect jobs?

How will the project affect existing freight rail capacity? What are the impacts on existing and future domestic and international trade by the proposed project?

What other commodity terminal projects are being proposed or built in the Pacific Northwest region, including Canada? Independent of the proposed Cherry Point terminal, what effects if any would these projects have on the region’s transportation system?

Land Use - Effects on current and future land use within the region.

Will the project affect commercial and residential land use?

Will the project affect property values?

Environment - Environmental effects.

Will the project affect water and air quality?

Will minority and/or low-income populations experience disproportionately high and adverse effects from the project?

Task 4. Economic Analysis

What are the economic effects of regional impacts identified in Task 3?

Task 5. Identify Mitigation

Identification of additional infrastructure improvements or policies that may be required to support community and economic development.

What infrastructure improvements could mitigate the effect listed above? What is the opportunity cost of this mitigation?

What policies could mitigate the effect listed above?

Task 6. Draft report and presentation to PSRC Executive Board

Task 7. Final document preparation with annotated bibliography