

2016 Freight Rail Investment Bank (FRIB) Report

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Washington State Department of Transportation

RF & P Division – Report for November 2016

Purpose of this report

The Second Engrossed Substitute House Bill 1299 Section 310 (2) calls for the Washington State Department of Transportation (WSDOT) to “...report annually to the transportation committees of the Legislature and the office of financial management on all Freight Rail Investment Bank (FRIB) loans issued.”

What is FRIB and how does it support state freight goals?

The FRIB is a program that loans money to build new or improve existing rail infrastructure across the state. The program is administered by WSDOT. The loan program is available to the public sector only.¹

Fifty percent of the short-line rail network in Washington State is publicly owned. Cities, counties, port districts, along with the state, own over 700 miles of rail infrastructure, which supports rural economies by providing cost effective transportation options. Some of the largest industries in the state, including the agriculture and timber industries, rely heavily on rail transportation in their supply chains.

Biennium	Number of Projects	FRIB Funding
2007-09	4	\$2,500,000
2009-11	2	\$1,310,000
2011-13	9	\$5,180,000
2013-15	10	\$7,332,274
2015-17	7	\$3,312,242
Total:		\$17,384,516

Exhibit 1: FRIB Program History

What is the status of projects funded in the 2013-15 biennium?

WSDOT issued a call for projects in July 2012 and again in July 2013. Through those actions, ten projects were selected and received loan funding totaling \$7,332,000. As a result, all funding available for the FRIB program in the 2013-15 biennium was allocated to projects.

Two projects that originally applied for the Freight Rail Assistance Program (FRAP) opted to convert their applications to the FRIB program as they were not recommended to receive grant funding. All projects funded in 2013-15 have been completed and entered the loan repayment cycle. In accordance with the legislative budget proviso, projects completed during the 2013-15 biennium are charged sufficient interest to recover the costs of managing the loan collection process and repayment periods are no more than ten years. The projects are charged one percent simple interest, which is assessed on the total amount of the loan. The 2013-15 FRIB projects are listed in Exhibit 2.

¹ Article VIII, Section 5, of the state’s Constitution prohibits the state’s credit from being given or loaned to any individual, association, company, or corporation.

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Projects (2013-15)	Recipient	Location	FRIB Funding
Yard Tracks 8&9 Rail Relay	Tacoma Rail	Tacoma	\$823,227
Taylor Way Rail Relay and Extension	Tacoma Rail	Tacoma	\$1,105,074
West Loop Track Rail Relay	Tacoma Rail	Tacoma	\$515,789
East Loop Track Rail Relay	Tacoma Rail	Tacoma	\$773,070
Port Pass Track Rail Relay	Tacoma Rail	Tacoma	\$250,000
North Yard Rail Relay	Tacoma Rail	Tacoma	\$366,387
SR509 Track Rebuild	Tacoma Rail	Tacoma	\$1,037,012
Extend RORO Rail Spur	Port of Everett	Everett	\$1,811,715
Intermodal Facility Track Expansion	Port of Walla Walla	Walla Walla	\$250,000
New Siding Construction	City of Richland	Richland	\$400,000
TOTAL			\$7,332,274

Exhibit 2: 2013-15 FRIB Project List

What is the detailed status of loan repayments?

The repayment schedule for calendar year 2016 is listed in Exhibit 3. The annual receivables are just over \$1,000,000 for 2016. All borrowers are current on their loan repayments.

Calendar Year 2016 Loans												
Borrower	Loan Type	Agreement	Term (Years)	Pymt Start Date	Loan End Date	Loan Balance	Annual Amount Due	Amnt Rec'd	Due Date	Pymt Rec'd	Delinquent	
Ballard Terminal RR	Other	RR00282	15	Jul-04	Mar-17	\$49,230.77	\$49,230.77	\$49,230.77	3/1/2016	12/16/2015	N	
Cascade & Columbia	Other	RR00257	15	Jan-02	Jan-18	<i>Paid in Full</i>	25,893.33	25,893.33	1/2/2016	12/16/2015	N	
City of Richland	FRIB	RRB1070	10	Jul-18	Jul-25	359,983.54	39,998.17	39,998.17	7/1/2016	07/08/16	N	
City of Tacoma	FRIB	RRB1007	10	May-13	May-22	270,000.00	45,000.00	45,000.00	5/1/2016	5/2/2016	N	
City of Tacoma	FRIB	RRB1026	10	May-14	May-23	243,124.06	34,732.01	34,732.01	5/1/2016	5/2/2016	N	
City of Tacoma	FRIB	RRB1010	10	Jun-13	Jun-22	367,200.00	61,200.00	61,200.00	6/1/2016	6/2/2016	N	
City of Tacoma	FRIB	RRB1011	10	Jul-13	Jul-22	209,154.80	34,859.10	34,859.10	7/1/2016	7/1/2016	N	
City of Tacoma	FRIB	RR00407	15	Jul-10	Jul-24	14,072.38	1,759.06	1,759.06	7/1/2016	7/1/2016	N	
City of Tacoma	FRIB	RR00408	15	Jul-11	Jul-25	149,871.28	16,630.15	16,630.15	7/1/2016	7/1/2016	N	
City of Tacoma	FRIB	RRB1030	10	Jul-14	Jul-23	254,756.80	36,393.80	36,393.80	7/1/2016	7/1/2016	N	
City of Tacoma	FRIB	RRB1045	10	Apr-18	Apr-24	494,600.85	61,862.61	61,862.61	4/1/2016	4/4/2016	N	
City of Tacoma	FRIB	RRB1046	10	Jun-15	Jun-24	199,997.31	25,000.00	25,000.00	6/1/2016	6/2/2016	N	
City of Tacoma	FRIB	RRB1052	10	May-18	May-25	329,748.30	36,638.70	36,638.70	5/1/2016	5/2/2016	N	
City of Tacoma	FRIB	RRB1053	10	Aug-18	Aug-25	773,070.00	77,307.00	-	8/1/2016		N	
City of Tacoma	FRIB	RRB1054	10	Sep-18	Sep-25	1,105,067.86	110,506.79	-	9/1/2016		N	
City of Tacoma	FRIB	RRB1055	10	Jun-18	Jun-25	464,162.99	51,577.00	51,577.00	6/1/2016	06/02/16	N	
City of Tacoma	FRIB	RRB1088	10	Nov-18	Nov-25	910,005.31	91,000.54	-	11/1/2016		N	
Port of Benton	FRIB	RR00408	15	Jul-09	Jul-23	116,666.64	16,666.67	16,666.67	7/1/2016	7/8/2016	N	
Port of Everett	FRIB	RR00449	10	Jul-13	Jul-22	743,181.05	123,863.51	123,863.51	7/1/2016	6/14/2016	N	
Port of Everett	FRIB	RR00423	15	Jul-09	Jul-23	116,666.64	16,666.67	16,666.67	7/1/2016	6/14/2016	N	
Port of Longview	FRIB	RRB1029	10	Jul-14	Jul-23	325,923.25	46,660.46	46,660.46	7/1/2016	7/12/2016	N	
Port of Vancouver	FRIB	RRB1017	10	Jul-13	Jul-22	62,261.97	10,377.00	10,377.00	7/1/2016	6/21/2016	N	
Port of Walla Walla	FRIB	RRB1064	10	Jul-16	Jul-25	224,934.39	24,992.73	24,992.73	7/1/2016	6/29/2016	N	
Spokane County	FRIB	RRB1018	10	Jul-13	Jul-22	108,000.00	18,000.00	18,000.00	7/1/2016	7/1/2016	N	
Yearly Totals							\$1,056,715.07	\$777,901.74				

Exhibit 3: 2016 Loan Repayment Schedule

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Exhibit 4 shows the project loan repayment schedule for calendar year 2016.

Projected for Calendar Year 2017									
Borrower	Loan Type	Agreement	Term (Years)	Pymt Start Date	Loan End Date	Loan Balance	Annual Amt Due	Due Date	
Ballard Terminal RR	Other	RR00282	15	Jul-04	Mar-17	\$49,230.77	\$49,230.77	3/1/2017	
City of Richland	FRIB	RRB1070	10	Jul-16	Jul-25	359,983.54	39,998.17	7/1/2017	
City of Tacoma	FRIB	RRB1046	10	Apr-15	Apr-24	494,900.85	61,862.61	4/1/2017	
City of Tacoma	FRIB	RRB1007	10	May-13	May-22	270,000.00	45,000.00	5/1/2017	
City of Tacoma	FRIB	RRB1026	10	May-14	May-23	243,124.06	34,732.01	5/1/2017	
City of Tacoma	FRIB	RRB1052	10	May-16	May-25	329,748.30	36,638.70	5/1/2017	
City of Tacoma	FRIB	RRB1010	10	Jun-13	Jun-22	367,200.00	61,200.00	6/1/2017	
City of Tacoma	FRIB	RRB1046	10	Jun-15	Jun-24	199,997.31	25,000.00	6/1/2017	
City of Tacoma	FRIB	RRB1011	10	Jul-13	Jul-22	209,154.60	34,859.10	7/1/2017	
City of Tacoma	FRIB	RR00407	15	Jul-10	Jul-24	14,072.38	1,759.06	7/1/2017	
City of Tacoma	FRIB	RR00408	15	Jul-11	Jul-25	149,671.28	16,630.15	7/1/2017	
City of Tacoma	FRIB	RRB1030	10	Jul-14	Jul-23	254,756.60	36,393.80	7/1/2017	
City of Tacoma	FRIB	RRB1063	10	Aug-16	Aug-25	773,070.00	77,307.00	8/1/2017	
City of Tacoma	FRIB	RRB1054	10	Sep-16	Sep-25	1,105,057.86	110,505.78	9/1/2017	
City of Tacoma	FRIB	RRB1055	10	Jun-16	Jun-25	484,192.99	51,577.00	6/1/2017	
City of Tacoma	FRIB	RRB1086	10	Nov-16	Nov-25	910,005.31	91,000.54	11/1/2017	
Port of Benton	FRIB	RR00406	15	Jul-09	Jul-23	116,666.64	16,666.67	7/1/2017	
Port of Everett	FRIB	RR00449	10	Jul-13	Jul-22	743,181.05	123,863.51	7/1/2017	
Port of Everett	FRIB	RR00423	15	Jul-09	Jul-23	116,666.64	16,666.67	7/1/2017	
Port of Longview	FRIB	RRB1029	10	Jul-14	Jul-23	325,923.25	46,560.46	7/1/2017	
Port of Vancouver	FRIB	RRB1017	10	Jul-13	Jul-22	62,261.97	10,377.00	7/1/2017	
Port of Walla Walla	FRIB	RRB1064	10	Jul-16	Jul-25	224,934.39	24,992.71	7/1/2017	
Spokane County	FRIB	RRB1018	10	Jul-13	Jul-22	108,000.00	18,000.00	7/1/2017	
Yearly Total							\$1,030,821.72		

Freight Projects In Progress								
Borrower	Loan Type	Agreement	Term (Years)	Pymt Start Date	Loan End Date	Loan Amount	Annual Amt Due	Comments
City of Tacoma	FRIB	RRB1108	10	Aug-17	Aug-26	\$ 311,457.00	\$ 31,145.70	
City of Tacoma	FRIB	RRB1109	10	Feb-17	Feb-26	156,997.00	15,699.70	
City of Tacoma	FRIB	RRB1110	10	Feb-17	Feb-26	466,270.00	46,627.00	
City of Tacoma	FRIB	RRB1111	10	Oct-17	Oct-26	369,518.00	36,951.80	
City of Tacoma	FRIB	RRB1112	10	Mar-17	Mar-26	150,000.00	15,000.00	
Port of Everett	FRIB	RRB1050	10	Jul-18	Jul-27	3,161,715.00	316,171.50	
Port of Whitman Cnty	FRIB	RRB1118	10	Jul-17	Jul-26	500,000.00	50,000.00	*mod to reduce to \$283,437.02 drafted

New for 2017 - recently executed agreements will be included in the 2017 projections once final loan amounts are processed

Exhibit 4: 2017 Loan Repayment Schedule

What is the status of projects funded in the 2015-17 biennium?

For the 2015-17 biennium, eight (8) projects were selected in 2014 totaling \$4,122,000; however, on June 1, 2016, the Port of Walla Walla formally withdrew their project, citing business reasons, leaving seven (7) recipients; those FRIB recipients are listed in Exhibit 5. These projects are in varying stages between construction and project closeout and, therefore, loan collections are not expected to begin until calendar year 2017. After the original solicitation a total of \$877,000 in funding remained available to the program. WSDOT issued a call for projects in September 2015 to expend the remaining funds. Applications were received in October. Two projects opted for funding through the FRIB program when they were not recommended for funding through the grant program (Freight Rail Assistance Program, FRAP).

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Projects (2015-17)	Recipient	Location	FRIB Funding
Wilma Rail Terminal Improvements	Port of Whitman County	Clarkston	\$500,000
Transfer Yard Connection	Tacoma Rail	Tacoma	\$150,000
Edwards Crossover	Tacoma Rail	Tacoma	\$156,997
Taylor Wye	Tacoma Rail	Tacoma	\$311,457
West Lead	Tacoma Rail	Tacoma	\$369,518
East Lead	Tacoma Rail	Tacoma	\$469,270
Marine Terminal Rail Improvements	Port of Everett	Everett	\$1,355,000
TOTAL			\$3,312,242

Exhibit 5: 2015-17 FRIB Project List

What is the status of the 17-19 Call-for-Projects?

WSDOT issued a call-for-projects in June 2016, with a close date of July 15, 2016. Upon closure of the solicitation period, there were no applications submitted for the FRIB program. In an effort to ensure there was no interest in FRIB program for the 17-19 biennium, WSDOT conducted a second call-for-projects in September 2016. Upon closure of the second solicitation period, there was one applicant, the Port of Everett. This application is currently under review by an internal/external stakeholder review panel with recommendations later this year, readying for the upcoming legislative session.