



TO: T.C. Broadnax, City Manager
FROM: William A. Gaines, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – WSDOT Rail Bank Loan RRB 1052 Tacoma Rail North Intermodal Yard
Lead Track Upgrade Project – October 8, 2013
DATE: September 16, 2013

SUMMARY:

Tacoma Rail requests approval to enter into a Loan Agreement with the Washington State Department of Transportation to upgrade a segment of railroad track in the Port of Tacoma’s North Intermodal Yard.

BACKGROUND:

This interest free loan was awarded through a competitive call for projects initiated by the Washington State Department of Transportation, with the funds having been appropriated by the Washington State Legislature. The Loan is for the principal amount of \$366,387.00, less a one-percent (1%) administrative fee, over a ten (10) year term.

The Loan Agreement requires Tacoma Rail to contribute a minimum of \$157,023.00 in matching funds and complete the project by June 30, 2015. Repayment terms require annual payments of \$36,638.70 beginning May 1, 2016.

The loan will be used to partially finance the replacement of a segment of track providing access to the Port of Tacoma’s North Intermodal Yard.

ISSUE:

Tacoma Rail’s freight rail infrastructures in the Tideland’s area are heavily used and in need of periodic upgrade to support current, and attract new, freight railroad customers.

ALTERNATIVES:

There are no reasonable alternatives.

RECOMMENDATION:

Tacoma Rail recommends City Council authorization to enter into the Loan Agreement with the Washington State Department of Transportation. The project will enhance safety, and ensure there are no interruptions to the import/export freight rail activities conducted in the Port of Tacoma North Intermodal Yard due to deteriorated railroad track infrastructure.



FISCAL IMPACT:

There is no fiscal impact to the City's General Fund.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4500 - Tacoma Rail (TPU)	RAL-00061		\$523,410.00
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
WSDOT Loan	RAL-00061		\$366,387.00
4500 - Tacoma Rail (TPU)	RAL-00061		\$157,023.00
TOTAL			\$523,410.00

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$523,410.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.