



TO: Elizabeth A. Pauli, City Manager
FROM: Josh Diekmann, P.E., Assistant Division Manager, Public Works
Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *KDK*
COPY: City Council and City Clerk
SUBJECT: Resolution – Development Mitigation Agreement – U.S. Oil & Refining Co. –
June 19, 2018
DATE: May 25, 2018

SUMMARY:

A resolution authorizing a Development Mitigation Agreement with U.S. Oil & Refining Co., in the amount of \$191,500, for traffic related impacts on Lincoln Avenue and Thorne Road at existing rail crossings in the Port of Tacoma.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.

This Development Mitigation Agreement (Agreement) will facilitate roadway improvements required to accommodate the increased impacts associated with the development. Agreements for voluntary mitigation are required by state law to be adopted by the City Council.

BACKGROUND:

U.S. Oil & Refining Co., (U.S. Oil) is installing new product transfer lines from the marine terminal to the refinery for the transfer of ethanol, renewable jet fuel, and renewable diesel fuel product. The SEPA analysis for the project resulted in a Mitigated Determination of Non-Significance which was issued on March 16, 2018, and specified a number of traffic-related mitigation measures to be taken by U.S. Oil. State law allows the developer of a project and a city to enter into a voluntary agreement under which the developer will pay the city to implement the necessary mitigation.

ISSUE:

U.S. Oil and the Public Works Department agree that certain required traffic-related mitigation can be implemented more practically, timely, and efficiently by the City and have developed an agreement under which U.S. Oil will pay the City \$191,500 as described below:

- \$175,000 for the design and implementation of Intelligent Transportation System components and associated infrastructure to detect when train activity is blocking Lincoln Avenue, Thorne Road, or both, and to automatically alert drivers that the respective roadway(s) is blocked;
- \$16,500 for the implementation of signing and roadway markings to effectively manage traffic queues during train crossing events at fourteen (14) driveway locations identified within the transportation impact study.

ALTERNATIVES:

The City could choose to leave implementation of the required mitigation to U.S. Oil, which could result in the mitigation being implemented in a less practical, timely, and efficient manner.



RECOMMENDATION:

A resolution authorizing a Development Mitigation Agreement with U.S. Oil & Refining Co., in the amount of \$191,500, for traffic related impacts on Lincoln Avenue and Thorne Road at existing rail crossings in the Port of Tacoma.

FISCAL IMPACT:

If the agreement is approved, the City will receive \$191,500 from U.S. Oil for the specified traffic-related improvements.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Revenues Fund 1050-CNTRB	PWK-17A18-07	6539200	\$191,500
TOTAL			\$191,500

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Private Contribution (Developer)	PWK-17A18-07	4345860	\$191,500
TOTAL			\$191,500

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$191,500

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

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

Request for appropriation will be included in a future budget modification request prior to the implementation of roadway improvements.