



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 – Memorandum of Understanding – SR 167 and
SR 509 Completion Projects – June 19, 2018
DATE: May 25, 2018

SUMMARY:

A resolution authorizing the execution of a Memorandum of Understanding committing the City to providing \$2 million in future City funding to assist the Washington State Department of Transportation in securing federal grants for the estimated \$2 billion Puget Sound Gateway Program – SR 167 and SR 509 Completion Projects.

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.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This Memorandum of Understanding (MOU) expresses the City’s support for a cooperative approach toward funding the SR 167 and SR 509 Completion Projects. This approach assumes the commitments from local agencies will be leveraged toward grants, which in turn reduces the local funding burden and provides the best chance for needed congestion relief in and out of the Port of Tacoma.

BACKGROUND:

As part of the SR 167 Project presentation at the study session on April 3, 2018, the Washington State Department of Transportation (WSDOT) shared that in July 2015, the Washington State Legislature and Governor Jay Inslee acted to fund the Puget Sound Gateway Program through the Connecting Washington Revenue Package.

On April 24, 2018, the City Council approved a commitment for the City to provide \$2 million in future funding, under Resolution No. 39995, to assist WSDOT in securing federal grants for the \$2 billion Puget Sound Gateway Program - SR 167 and SR 509 Completion Projects.

WSDOT is requesting a City of Tacoma commitment of match funds for two project grants for the Puget Sound Gateway Program:

- \$500,000 for the 70th Avenue East Project
- \$1.5 million for the Port of Tacoma Spur

ISSUE:

The State funding legislation required that the Secretary of Transportation execute an MOU with local project stakeholders no later than July 1, 2018. This MOU reconfirms the commitment made by the Council on April 24, 2018. The MOU, if approved, will be followed by an Interlocal Agreement which will commit the funds identified in the MOU.



ALTERNATIVES:

The City Council could decline to approve the MOU. This could put the federal grants required to complete the overall Gateway Project at risk and either delay or defeat the effort to complete much needed transportation improvements regionally and locally at the Port of Tacoma. Additionally, the scope of the proposed project could be modified, potentially removing features that would be beneficial to the City. The congestion issues at the Port of Tacoma require regional solutions due to the need to plan for and tie into existing state highway infrastructure. The City of Tacoma could not develop and implement an equivalent transportation project that would relieve local congestion for \$2 million.

RECOMMENDATION:

A resolution authorizing the execution of a Memorandum of Understanding committing the City to providing \$2 million in future City funding to assist the Washington State Department of Transportation in securing federal grants for the estimated \$2 billion Puget Sound Gateway Program – SR 167 and SR 509 Completion Projects.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3211-TRANS - Finance Transportation Capital Fund	814190	5600000	\$2,000,000
TOTAL			\$2,000,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3210-GENF - Capital Revenue Fund	814004	Various	\$2,000,000
TOTAL			\$2,000,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: No fiscal impact to the current biennium.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.

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

This fiscal note represents the City’s commitment for grant match. Funds will not be budgeted at this time, but will be considered in future years as the project progresses.