



**TO:** Elizabeth A. Pauli, City Manager  
**FROM:** Josh Diekmann, 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 with IPT Tacoma Logistics Center  
LLC – March 6, 2018  
**DATE:** February 7, 2018

**SUMMARY:**

A resolution authorizing a Development Mitigation Agreement with IPT Tacoma Logistics Center, LLC, in the amount of \$100,000, with a potential additional amount of \$107,500 to be paid at a future date based on developed land use, for roadway improvements on Portland Avenue between East 11<sup>th</sup> Street and East 27<sup>th</sup> Street, and on Lincoln Avenue between Portland Avenue and Stewart Street.

**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 the construction of a new logistics center within the Port of Tacoma area. Agreements for voluntary mitigation are required by State law to be adopted by Council.

**BACKGROUND:**

IPT Tacoma Logistics Center, LLC (IPT), is constructing a new logistics center within the Port of Tacoma area of the City. The SEPA analysis for the project resulted in a Mitigated Determination of Non-Significance, which specified a number of mitigation measures to be taken by IPT including certain traffic mitigation. 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:**

IPT and the Public Works Department agree that certain required traffic mitigation can be implemented more practically, timely, and efficiently by the City and have developed an agreement under which IPT will pay the City as outlined below \$100,000 to implement an improved roadway pavement section on Portland Avenue between East 11<sup>th</sup> Street and East 27<sup>th</sup> Street, and on Lincoln Avenue between Portland Avenue and Stewart Street, with a potential additional amount of \$107,500 for future improvements to increase pavement structural capacity and improve traffic signal communications.

- The \$100,000 mitigation payment is applicable to roadway improvements as they relate to a “High Cube Warehouse/Distribution Center” land use (see Paragraph 3.2.b. of the Agreement).
- The potential \$107,500 would apply to similar roadway improvements including enhanced traffic signal communications if the Developer or successor implements a “Warehouse” land use and would be paid at the time of tenant improvements (see paragraph 3.1.c. and paragraph 3.2.b. of the Agreement).

**ALTERNATIVES:**

The City could choose to leave implementation of the required mitigation to IPT, 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 IPT Tacoma Logistics Center, LLC, in the amount of \$100,000, with a potential additional amount of \$107,500 to be paid at a future date based on developed land use, for roadway improvements on Portland Avenue between East 11<sup>th</sup> Street and East 27<sup>th</sup> Street, and on Lincoln Avenue between Portland Avenue and Stewart Street.

**FISCAL IMPACT:**

If the agreement is approved, the City will receive \$100,000 from IPT with a potential additional amount of \$107,500 for future additional improvements based on realized land use development.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Revenues Fund 1050-CNTRB	PWK-17A18	6539200	Up to \$207,500
<b>TOTAL</b>			<b>Up to \$207,500</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Private Contribution (Developer)	PWK-17A18	4345860	Up to \$207,500
<b>TOTAL</b>			<b>Up to \$207,500</b>

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
<b>TOTAL</b>			

*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:** Up to \$207,500

**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.