



TO: T.C. Broadnax, City Manager
FROM: Peter Huffman, Planning and Development Services Director *PH*
Jim Duggan, Fire Chief
Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *KD*
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorize the City Manager to execute an Interlocal Agreement with the Port of Tacoma for the Puget Sound Energy Liquefied Natural Gas Facility – November 10, 2015
DATE: October 26, 2015

SUMMARY:

The City Council is requested to consider a resolution on November 10, 2015 to authorize the City Manager to execute an Interlocal Agreement with the Port of Tacoma (Port) for the Puget Sound Energy (PSE) Liquefied Natural Gas Facility (LNG Facility).

STRATEGIC POLICY PRIORITY:

The Environmental Impact Statement (EIS) prepared by the City for this project concludes that the LNG Facility will, subject to appropriate mitigation, advance the following policy priorities:

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

BACKGROUND:

City Planning and Development Services has completed an EIS for the LNG facility that PSE has proposed to construct on Port property located at East 11th Street and Taylor Way; see attached map and fact sheet (Attachment A). The EIS and related documents can be found at www.cityoftacoma.org/planning, under “PSE Proposed Tideflats LNG Facility”. The EIS sets the stage for upcoming permit decisions by federal, state, and local agencies. More specifically, the EIS analyzes the potential impacts from the project, both positive and negative, and recommends a set of project conditions to mitigate potential negative impacts. It is anticipated that these conditions will be included in the permits necessary for this project.

The EIS identifies three actions that are considered to be of paramount importance in all upcoming public safety reviews: (1) the reopening of Fire Station 15 at East 11th Street and Taylor Way; (2) the complete reconstruction of Taylor Way from State Route 509 to East 11th Street to current “heavy haul” standards; and (3) the installation of an “Intelligent Transportation System” (ITS) that can inform public safety agencies as to vehicle and train status in real time. The EIS preparation process has facilitated discussions between the applicant (PSE), the landlord (the Port), and the lead permit agency (the City) as to appropriate financing responsibilities relative to these three actions.

The results of these discussions are now presented for City Council’s review, consideration, and action.

ISSUE:

Specifically, two documents have been prepared: an agreement between the City and PSE (Attachment B) and an agreement between the City and the Port (Attachment C). Taken together these agreements provide for the following: (1) authorize the City to utilize tax revenue from the project to reopen Fire Station 15; (2) require PSE by agreement to pay for the refurbishment of Fire Station 15 and



approximately half the cost of rebuilding Taylor Way; (3) outline the path for the City and Port to work together over the next four years to secure funding for the balance of Taylor Way rebuilding and the installation of a basic ITS; and (4) pave the way for the formation of a Local Improvement District to fund any portion of the funding balance for Taylor Way rebuilding as mentioned in item (3) not funded through grants.

If you have any questions, please contact Ian Munce, Special Assistant to the Director, at (253) 573-2478 or imunce@cityoftacoma.org.

ALTERNATIVES:

The City Council could decline to adopt this Interlocal Agreement or propose alternative language.

RECOMMENDATION:

Approve a resolution on November 10, 2015 to authorize the City Manager to execute an Interlocal Agreement with the Port for the PSE LNG Facility. This action will trigger the subsequent steps necessary to complete action on the Interlocal Agreement by the end of December 2015, as outlined below:

November 22, 2015	Effective date of the Resolution
December 2015	Record Interlocal Agreement with Pierce County

FISCAL IMPACT:

This action would authorize the City to utilize tax revenue from the project to reopen Fire Station 15.