



TO: Elizabeth A. Pauli, City Manager
FROM: Justin E. Davis, Fleet & Facilities Division Manager, Public Works
 Ramiro A. Chavez, P.E. PgMP, Public Works Director/City Engineer
COPY: City Council and City Clerk
SUBJECT: Ordinance – Pierce Transit Renewal Extension Amendment – November 28, 2023
DATE: November 1, 2023

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SUMMARY AND PURPOSE:

An ordinance approving an Amendment to the renewal period of the current non-exclusive Right of Use Agreement and non-exclusive Franchise between the City of Tacoma and Pierce Transit, extending the renewal term an additional five-years and amending the current expiration from January 1, 2024 to January 1, 2029, for transit-related infrastructure within City rights-of-way.

BACKGROUND:

This Department’s Recommendation is Based On: The original agreement was entered into in July 2016, Ordinance No. 28365, and was retroactive to January 1, 2014. The initial term was for five years, which ended on January 1, 2019. The agreement included an option to renew for an additional five-year period, which Pierce Transit exercised, and expires January 1, 2024, Ordinance No. 28535. During this additional five-year extension of the renewal period, staff from the City and Pierce Transit will work toward an amendment to the agreement with the intent to establish an extended term and consider any adjustments to current language that either party feel are necessary.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The purpose of the agreement is to provide Pierce Transit access and authorization to construct and maintain bus shelters within the City right-of-way. The bus shelters dual as advertisement venues for government agencies, not for profits, and private industry. Revenue received by the City is utilized to renovate existing right-of-way for ADA access and compliance.

Livability: Equity Index Score: Low Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

The agreement provides better access to public transportation and promotes the use of public transportation which broadens access for all City of Tacoma residents to access programs, resources, schools, and recreation.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Deny Extension		- Additional permitting required - Longer project completion timeline - Increased City staff workloads



STAFF/SPONSOR RECOMMENDATION:

The Public Works Department recommends City Council approve the Amendment to the renewal period of the current non-exclusive Right of Use Agreement and non-exclusive Franchise between the City of Tacoma and Pierce Transit, extending the renewal term an additional five-years and amending the current expiration from January 1, 2024 to January 1, 2029, for transit-related infrastructure within City rights-of-way.

FISCAL IMPACT:

The revenues generated by the non-exclusive franchise contained within this Agreement are variable and dependent upon Pierce Transit’s contract with their advertising agent for bus shelter advertisements. Total Funds received by the City in 2022-2023 are roughly \$55,000.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Pierce Transit Franchise Fees**	CC 296500	4315551	+/- \$125,000
TOTAL			+/- \$125,000

**Revenue are a rough estimate based on the last two years of revenue projected forward for this five year term.

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City’s FTE/personnel counts?

No

ATTACHMENTS:

- First Amendment to non-exclusive Right of Use Agreement and non-exclusive Franchise